

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2014 - 2015

Department/Agency: ATO

Question: BET 33

Topic: MOU with state governments

Reference: Spoken – 02 June 2015

Senator: Dastyari, Sam

Question:

Senator DASTYARI: Mr Jordan, I know we are going to break soon, and there are some more substantial matters I wanted to touch on. But just a quick matter that I wanted to touch on with you. There are two powers of the ATO interacting with different organisations that I want to bring to your attention. The first is with state governments on issues related to royalties and how information is shared. The second concerns the Foreign Investment Review Board and the role of tax in the national interest test. Firstly, on the state royalties issue, is there an MOU or some understanding where you are able to share information with state governments at all?

Mr Jordan: I am not aware of one, but we could take that on notice. I am generally aware that we do not have really close dealings with states as a general proposition. I am not aware of anything particularly. When you say 'royalties', this is mining royalties?

Answer:

33. The ATO has an MOU with states on the exchange of data, but there is no explicit provision for the exchange of state royalty data.

Under Commonwealth law there are strict confidentiality provisions binding taxation officers, and contraventions of these provisions can result in terms of imprisonment. This prohibition is not absolute and exceptions to the obligation not to disclose taxpayer information are permitted.

Specifically, there is an exemption that allows a taxation officer to disclose taxpayer information to a State or Territory revenue office for the purposes of administering State or Territory taxation laws. The provision of this information is generally solicited from the ATO by authorised officers within the State and Territory revenue authorities when they are undertaking or contemplating undertaking an investigation.