

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates
2017 - 2018

Division/Agency: Australian Taxation Office
Question No: 123
Topic: AirBnB/Sharing economy
Reference: Written
Senator: Griff, Stirling

Question:

1. Does the ATO collect data on the number of individuals claiming income from AirBnB and Stayz, and how much this has generated in tax income? If so, can you provide this data for the past two financial years.
2. How does the ATO monitor that AirBnB and Stayz income is being declared, and appropriately declared at that?
3. Other than the information page/s on the ATO website, does the ATO conduct any directly or indirect education activities to make users of the sharing economy aware of their tax obligations (for instance, via these platforms)? Please detail.
4. In June 2016, News.com.au reported that the ATO was planning a crackdown on the \$500m sharing economy to capture undeclared income from AirBnB, Uber etc. Has The ATO commenced audits of individuals for suspected undeclared AirBnB income?
 - a) What methods is the ATO using to locate these individuals?
 - b) Is the ATO employing any data matching with other agencies? If so, which?
 - c) If it has commenced these audits, are they ongoing?
 - d) What has been the outcome so far?
 - e) If not, when will this auditing occur?
5. Does the ATO have any estimates of the level of black market /undeclared income from Airbnb? Please provide these.
6. Is the ATO engaging with AirBnB to cooperate/data share? If so, please detail.

Answer:

1. Each year the ATO receives over 600 million pieces of data from a range of sources, including income received from overseas sources, allowing the ATO to form a view of people's assessable income. This includes transactions linked to AirBNB and Stayz.

In 2014–2015 over 2 million individual taxpayers reported rental income of over \$40 billion.

The ATO utilises this data but as taxpayers can advertise their properties in a variety of ways, the ATO is not able to provide information about the number of taxpayers using specific internet platforms.

2. The ATO has sophisticated risk detection models in place to identify taxpayers who are incorrectly reporting their rental income and/or over-claiming deductions, including those taxpayers who advertise their properties on AirBnB and Stayz.
3. The ATO communicates its messages about the sharing economy and rental properties

in a number of ways including media releases, social media content, information pages on ato.gov.au and articles in intermediaries' magazines and blogs.

4. The ATO has an ongoing audit program relating to rental property owners that covers property rented out through traditional and sharing economy platforms.
 - a) The ATO has sophisticated risk detection models in place to identify taxpayers that are incorrectly reporting their rental income and/or over-claiming deductions including those that advertise their properties on AirBnB and Stayz.
 - b) The ATO collects data from other organisations, including government agencies. Further information is available at: www.ato.gov.au/General/Building-confidence/In-detail/Data-matching/.
 - c) There are ongoing audits.
 - d) As part of our audit activities we commonly encounter:
 - holiday homes that are not genuinely available for rent or rented at less than market rates
 - properties with rental income that is disproportionate to the expenses incurred
 - excessive claims for rental interest
 - incorrect claims for newly purchased rental properties
 - overstated capital allowance and capital works deductions.
 - e) Not applicable.
5. The ATO does not have an estimate of the level of black market/undeclared income from AirBnB.
6. As part of its compliance activities, the ATO's information gathering powers permit it to obtain data from AirBnB.