

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2015 - 2016

Department/Agency: ATO

Question: SBT 398-401

Topic: Uber GST Ruling

Reference: written - 30 October 2015

Senator: Wong, Penny

Question:

Uber GST Ruling:

398. What involvement did the Treasurer, Assistant Treasurer or other Government ministers have in this process?

399. Which industry stakeholders were consulted about the ATO's ruling before it was finalised and published?

400. Why was the Australian Taxi Industry Association party to the discussion about the ruling before it was finalised and published?

401. Does ATO believe that there is a continuing policy rationale for requiring taxi drivers to collect GST from their first dollar, given the increase in electronic payments and decline of cash payments in the industry since that rule was first introduced in the 1990s?

Answer:

398.

- The ATO has not issued an Uber GST Ruling. On 20 May the ATO released public guidance (not a ruling) on the sharing economy and ride-sourcing. This answer assumes the questions relate to those public guidance documents.
- There was no involvement by any Minister or other members of Parliament in forming the ATO view.
- As is ATO's standard practice, the Treasurer, the Minister for Small Business and the Assistant Treasurer played no role in the development of the ATO's public guidance, but per usual practice were informed of public interest in the particular subject. The ministers were advised of the ATO's work on the sharing economy and of the ATO view once formed but before publication.

399.

- Consultation on the formation of the ATO view as set out in the public guidance on the tax treatment of ride-sourcing arrangements was undertaken only with Uber and their representatives. Technical views were exchanged and considered.
- The ATO did not consult with other industry stakeholders in forming the ATO view before publishing the public guidance. A number of sharing economy facilitators, or their representatives, were advised by the ATO of the imminent publishing of the public guidance, but were not advised of the ATO view at that time.

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- The ATO provided an advance copy of the draft public guidance, once the ATO view was formed, to relevant States and Territories government authorities, the Australian Taxi Industry Association (ATIA), and Uber to make sure that the view would be understood and that any impacts were known and considered. For example, we asked for feedback such as whether the ATO view of the tax law had any consequences on State or Territory interpretation of transport regulations.
- At the ATO's appearance before Senate Estimates on 21 October 2015 the Commissioner stated that "...When we released the guidance about 10 days or maybe two weeks beforehand, as is normal practice, we shared that with, I think, the Australian Hotels Association and the Accommodation Association—for motels, hotels et cetera—as well as with the taxi industry, being industries that had an interest in what we were about to release." A copy of the ATO's guidance in relation to the sharing economy was not provided to the Australian Hotels Association and the Accommodation Association prior to the official release on 20 May 2015. The Commissioner wrote to the Committee Secretary on 13 November 2015 to note this correction for the records.

400.

- The ATO considered the ATIA a key stakeholder in the land transport and taxi industry. The ATO discussed the draft public guidance on ride-sourcing with the ATIA on 14 April 2015 to understand the impacts on the industry and to seek their assistance to communicate the view to their members once published.
- Once the ATO view was formed, the ATO also provided an advance copy of the draft public guidance on ride-sourcing for comment to the ATIA on 17 April 2015. At that time, we also provided it to the relevant States and Territories government authorities, and to Uber. We did this to make sure that the view would be understood and that any impacts were known and considered.
- The ATO did not consult, or seek opinion from, the ATIA about the interpretation of the view that was adopted, and the ATO did not change its interpretation of the law after providing an advance copy of the draft public guidance to ATIA.

401.

- The policy reason for requiring taxi drivers to collect GST from their first dollar, as understood by the ATO, is published in the ATO's [Taxi Industry – Issues Register](#), which states:

The government chose to apply compulsory registration of taxi drivers for several reasons including:

- to avoid the confusion that would be created if some taxis had to charge GST and others did not

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- avoiding the added problem that would arise if a passenger was using a taxi for a business trip (creditable acquisition). In this instance, the passenger would want to be able to claim an input tax credit for the GST included in the fare
- meter rates are set by each state authority and after 1 July 2000 all meters were adjusted to reflect the GST. If some drivers were registered and others were not, all would be collecting the higher rate. This would disadvantage drivers who had to be registered if the ordinary registration turnover threshold applied.