

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

**Budget Estimates**

1 June 2010

**Question: BET 254**

**Topic: Taxes paid by the mining sector (ATO)**

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**Senator JOYCE**—Can I just interrupt there for one second, because we have the taxation department here and I have Mr D'Ascenzo to the right-hand side of the minister. Mr D'Ascenzo, in your document, what are the royalties, resource and company taxes paid by the mining industry?

**Mr D'Ascenzo**—We have that, but I am not sure I have the figures in front of me.

**Ms Granger**—We can give you the last two years and year to date for the petroleum resource rent tax, and I will see if my colleagues can come up with the others as well, if you would like those. For 2007-08, 57 taxpayers paid \$1.9 billion. These are from tax stats.

**Senator JOYCE**—Yes, and what is the percentage? You have that table. What is your percentage on that table?

**Ms Granger**—There is not a percentage on this table.

**Senator Sherry**—Sorry, percentage of what?

**Ms Granger**—Sorry, I thought you asked for taxable profit.

**Senator JOYCE**—You are going through the petroleum resource rent tax there, aren't you? I want to know what the mining sector paid in taxes and royalties.

**Ms Granger**—We will not have royalties, because they are collected by states and territories.

**Senator JOYCE**—Tell me what they pay just in taxes then.

**Ms Granger**—I will see if we can get that information for you. Hopefully someone has the annual report here.

**Answer:**

The mining industry pays to the ATO company income tax, petroleum resource rent tax, excise, personal income tax from individuals directly engaging in a mining business, goods and services tax, and on behalf of their employees, pay as you go withholding tax and fringe benefits tax. The ATO does not collect mining royalties; these are administered and collected by the States and Territories.

Due to the running account balance nature of the ATO accounting systems, we are unable to determine if a specific tax or excise liability has been paid. As such we are providing the liabilities incurred by the mining sector for the 2007-08 income year.

For the 2007-08 income year the mining industry accounted for around 14 per cent of company tax liabilities (i.e. \$8.1 billion out of \$57.9 billion).

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<b>Taxes and excise incurred by the mining industry for the 2007-08 income year</b>	<b>\$m</b>
Company tax	8,068
Petroleum Resource Rent Tax	1,943
Excise liabilities (petroleum & non petroleum based fuels)	402
Individuals tax (tax on individuals' net business income from their mining business activities)	9
Goods and Services Tax (refund) <sup>1</sup>	-3,728
<b>Net taxes</b>	<b>6,694</b>

1. GST refunds. GST credits (input tax credits) the industry is entitled to claim are greater than the GST paid on inputs the industry acquired for use.

Note: The mining industry also is liable for \$4,584 million in pay as you go withholding and fringe benefits tax on behalf of its employees. Mining industry employers paid \$3.5 million in superannuation guarantee charges due to failure to meet the minimum superannuation guarantee requirements.