



## Combined Small Business Alliance of Western Australia Inc. (CoSBA)

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## **NEXT MEETING: BOARD MEETING**

### **To Be Advised**

**Stirling Small Business Centre, 45 Delawney Street, BALCATTA**

### **IN THIS ISSUE:**

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Data matching vs the cash economy

Cents per km car rates for 2009/10

### **ATTACHMENTS:**

insight-issue1-april10.pdf

Tax relief and less red tape for small business - a tax plan for our future.pdf

Fact\_sheet2\_Early\_start\_to\_company\_tax\_rate\_cut\_for\_small\_business.pdf

Fact\_sheet3\_instant\_asset\_write\_off.pdf

2020 - Small Business Advocate.docx

2205 - SBDC.docx

2011 - Small Enterprise Network.docx



## **Parliamentary Questions – Small Business**

Attached are copies of Parliamentary Questions asked of the Commerce Minister by Shadow Minister for Small Business Hon. Ljiljana Ravlich: 2020 - Small Business Advocate.docx; 2205 - SBDC.docx & 2011 - Small Enterprise Network.docx.

## **Data matching vs the cash economy**

*Editor: The Tax Office is ramping up its efforts to catch out the cash economy and individuals who are using overseas jurisdictions to hide their money.*

### **Background: How the ATO is catching up with the Cash Economy**

Cash economy businesses, which are being targeted by the Tax Office, often 'skim' some or all of their cash takings, run part of their business off the books or don't report all their income.

The ATO uses its data matching programs to gather information from a variety of sources and cross match it with taxpayer information and the Tax Office's small business benchmarks (see the next page) to identify businesses which have not reported all their income.

Recently, the Tax Office has commenced four new data matching programs:

**Merchant Payment Cards Project** - data matching merchant card sales through the CBA; Westpac; ANZ; and NAB. 300,000 individuals within cash economy industries will be matched.

**Plasterers Project** - collecting details of taxpayers that have purchased plasterboard, etc., in NSW from Boral Ltd, CSR Limited and La Farge Plasterboard Pty Ltd. 10,000 individuals will be matched.

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**Motor Vehicle Data Matching Project** - collecting details of taxpayers that have purchased or acquired a motor vehicle valued at \$10,000 or higher from the relevant road traffic authority in every State and Territory, e.g., Vic Roads, Transport SA, etc. Approximately 2.5 million individuals will be matched.

**Banking Transparency Strategy** - collecting data and intelligence on Australian taxpayers that have offshore accounts in jurisdictions that are of interest to the ATO.

Transactions through (basically) every major financial institution in Australia, including the big four banks, International Financial Institutions and Credit Card providers such as American Express, Diners Card, MasterCard and Visa will be reviewed. In excess of 100,000 taxpayers will be targeted.

### **Industry benchmarks vs the cash economy**

*Editor: The second string to the Tax Office's assault on the cash economy is using industry benchmarks.*

*These benchmarks provide a snapshot of what, on average, the Tax Office believes is happening in businesses operating in a particular industry by comparing various costs to turnover*

*However, those of us who thought that the benchmarks would apply only to the traditional cash economy targets, i.e., building and construction and restaurants/café's, cleaners, etc., will be sorely disappointed with the new list of industries to be targeted.*

### **Benchmarks to be published**

The following is a list of soon to be published benchmarks issued by the Tax Office.

- Architectural Services
- Automotive Electrical Services
- Cabinet makers
- Child Care Services
- Chiropractic and Osteopathic Services
- Confectionary retailing
- Craft Shop
- Discount and variety stores
- Electrical, Electronic and Gas Appliance Retailing
- Entertainment Media Retailing
- General Dental Services
- Gift shops
- Health and Fitness Centres and Gymnasias Operation
- Health Food Retailing
- Lawn Mowing Services
- Machinery Equipment Repair & Maintenance
- Musical instruments retailing
- Physiotherapy Services
- Picture framing
- Printing
- Printing Support Services
- Specialist Dental Services
- Sport and Camping Equipment Retailing
- Sports and Physical Recreation Instruction
- Veterinary Services

(SOURCE: *Practice Update*, Chris Clarke & Associates, Chartered Accountants & Registered Tax Agents, May 2010)

### **Cents per km car rates for 2009/10**

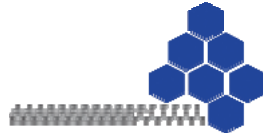
Taxpayers whose income producing use of a car does not exceed 5,000 kms per year can deduct car expenses on a per km basis. The rates for 2009/10 are as follows:

Kind of car	Engine capacity		Rate per km (cents)
	Not rotary	Rotary	
Small	Up to 1,600 cc	Up to 800	63
Medium	1601cc to 2,600cc	801 cc to 1,300cc	74
Large	>2,600cc	>1,300cc	75

(SOURCE: *Practice Update*, Chris Clarke & Associates, Chartered Accountants & Registered Tax Agents, May 2010)



## SMALL BUSINESS PARTNERS



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(formerly Small Business Training Institute)  
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