



FEDERAL BUDGET GIVES ATO MORE MONEY TO AUDIT GST-REGISTERED BUSINESSES

All GST registered businesses should ensure that their GST affairs are in order before the Australian Taxation Office comes knocking following the Government's Federal Budget measure for increased GST compliance, said Pitcher Partners Partner Craig Whatman.

The Government will provide \$337.5 million to the ATO over four years to fund additional activities that target fraudulent GST refunds, under-reporting of GST liabilities, non-lodgement of GST returns and non-payment of GST debts.

“When this additional funding is combined with the existing funding that the Government has previously committed to provide to the ATO for GST compliance activities, it will result in a significant number of taxpayers being selected for GST reviews and audits over the next four years.

“In addition to the unexpected GST cost, any GST mistakes and underpayments can also result in expensive penalty and interest charges, which can impact cash flow and profitability,” Mr Whatman said.

Mr Whatman said the additional GST compliance funding is expected to generate an additional \$2.7 billion in GST revenue over four years due to increased taxpayer compliance.END

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