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MULTINATIONAL TAX AND DIGITAL DOWNLOADS

Statement from Alex Malley, chief executive of CPA Australia

The promised expansion of the GST rules to cover intangible digital downloads, like subscription TV streaming, looks promising.

As it currently stands Australian firms are at competitive disadvantage having to charge GST when their overseas competitors do not.

We see this is an overdue levelling of the playing field for Australian businesses so they don't feel like they're being treated as second class citizens.

More important than the modest revenue gain being flagged by the Treasurer, this is about enabling Australian companies to compete internationally, grow their business and employ more Australians.

We've had a lot of rhetoric in recent weeks about a new so-called 'Google tax.'

It's no surprise that it's not progressing as it made no sense. We already have 125 taxes and charges across Australia and we didn't need another new tax adding complexity and confusion.

It's also no surprise that we are reverting to the existing general anti-avoidance provisions of the Income Tax Assessment Act.

These provisions were introduced in 1981, updated in 2013, have broad bipartisan backing and are among the toughest in the world.

They give the tax office plenty of scope to pursue artificial and contrived arrangements, as do other integrity measures such as the transfer pricing rules.

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