

## **ATO reveals one in five of Australia's largest private companies paid no tax last year**

by Eloise Keating via jane - Smart Company *Thursday, Sep 24 2015, 9:18am*

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***We DO have a revenue problem Mr novice, inept treasurer, Scott Morrison, and this is why; choke on some hard facts, you elite serving errand boy. Good work Malcolm, pinning you and your un-Australian elitist cabinet to the wall will be child's play.***



***Elitist corporate lackey and enemy of the people, conservative treasurer, Scott Morrison***

Approximately 22% of Australia's highest earning private companies paid no tax in 2014, according to details provided to a parliamentary inquiry on Tuesday.

Appearing before the Senate's Economics Legislation Committee, Australian Tax Office deputy commissioner Michael Cranston revealed in 2014, approximately one in five private Australian companies that earn in excess of \$100 million in revenue did not pay any company tax in 2014.

Cranston made the comments when grilled by Senator Scott Ludlum and Senator Sam Dastyari about the federal government's proposal to exempt some of the country's largest corporate taxpayers from legislation to make detailed financial information about the companies public.

The tax disclosure laws were legislated by the former Labor government and are due to come into effect later this year.

However, former prime minister Tony Abbott and former assistant treasurer Josh Frydenberg argued in March there are real concerns among some of the private companies expected to fall under the laws that executives could be the target of kidnap attempts if their tax affairs are made public.

Cranston told the inquiry there are several reasons why these unnamed firms did not pay any tax in 2014.

"Generally, we look at this over a number of years, because it is certain companies are at different cycles in their business cycles," Cranston said.

"Some have losses that need to be utilised, and they get utilised in different years. And there are other reasons."

"When we do have a look at some of these taxpayers that do not pay tax, some companies may embark on a strong investment strategy; so they actually have strong expenditure, because they say there is not the need for profits like you often see in public companies, where there are franked dividends required."

"So a lot of private businesses will expand their businesses and their expenditure levels, and therefore their profits are lower. We have seen that as well."

But Cranston said other firms have achieved a zero tax bill through "aggressive tax planning".

"At other times we have seen where there has been aggressive tax planning and we have dealt with that as well," he said.

Mark Chapman, director of tax communication at H&R Block, told SmartCompany this morning "a lot of people will look at the figure and be a little surprised that companies earning that amount of revenue are not paying any tax".

Chapman says the statistic "feeds into the narrative of large corporations who don't appear to be complying with their tax obligations".

However, he says it is important to remember there could be "any number of reasons, including perfectly legitimate reasons, why they are not paying tax, especially in the current economic situation". ***[Nevertheless, Aussie workers are ALWAYS obliged to pay tax regardless of the "any number of reasons" large corporations do not, the situation is scandalous!]***

"You can't simply look at the figure and immediately write those companies off as tax avoiders," he says.

But Chapman says the failure of 22% of those companies to pay any tax does show there is a need for more transparency.

"There should be more information about tax, revenue, [and] where they are paying tax, so people have a clear picture of who has legitimate reasons not to pay tax," he says.

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<http://tinyurl.com/pblxbqb>

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Jungle Drum Prose/Poetry. <http://jungledrum.lingama.net/news/story-1879.html>