

## OVERVIEW

For the 2011–12 financial year:

- total net goods and services tax (GST) liabilities (including Customs collections) were \$46.8 billion, an increase of 1.7% from 2010–11
- wine equalisation tax (WET) liabilities (including Customs collections) were \$729 million, a decrease of 1.5% from 2010–11
- luxury car tax (LCT) liabilities (including Customs collections) were \$441 million, a decrease of 7.9% from 2010–11.

## INTRODUCTION

This chapter provides information about the GST, WET and LCT. It reports liabilities incurred for the 2010–11 and 2011–12 financial years, as reported on business activity statements and other forms.

GST is a tax of 10% on the supply of most goods and services and other taxable supplies (for example, real property and rights) in Australia, including goods that are imported. In most cases, GST does not apply to exports of goods or services, or other items consumed outside Australia.

GST revenue is appropriated to the states and territories. The Australian Government funds the ATO to administer the GST, and is reimbursed by the states and territories. The Australian Customs Service (Customs) collects GST on taxable importations that are not subject to the deferred GST scheme.

## GST LIABILITIES

### BOX 12.1: Calculating net GST liabilities

Net GST is calculated as:

	Gross GST payable
add	Deferred GST payments on imports
less	Input tax credits
<b>gives</b>	<b>Net GST<sup>1</sup></b>

If net GST is more than \$0, the net difference is payable to the ATO.

If net GST is less than \$0, the net difference can be claimed as a refund.

<sup>1</sup> The net amount of GST on the activity statement can also be affected by increasing and decreasing adjustments.

For the 2011–12 financial year, net GST liabilities totalled \$46.8 billion, an increase of 1.7% from 2010–11. The wholesale industry remained the major contributor to GST liabilities in 2011–12 with \$13.1 billion, accounting for 28.1% of total net GST liabilities.

**TABLE 12.1: Net GST liabilities<sup>1</sup>, by industry, 2010–11 and 2011–12 financial years**

Industry <sup>3</sup>	2010–11 <sup>2</sup>		2011–12 <sup>2</sup>	
	No.	\$m	No.	\$m
Agriculture, forestry and fishing	172,677	268	166,599	158
Mining	6,920	-6,992	7,353	-9,139
Manufacturing	82,143	6,516	83,558	6,639
Electricity, gas, water and waste services	5,135	1,049	5,252	748
Construction	310,141	6,507	307,517	7,018
Wholesale trade	68,562	12,496	66,890	13,142
Retail trade	127,197	3,659	124,822	3,841
Accommodation and food services	73,268	3,158	72,456	3,366
Transport, postal and warehousing	118,464	3,118	118,354	2,824
Information media and telecommunications	15,970	2,701	16,387	2,666
Financial and insurance services	123,740	5,892	125,760	6,503
Rental, hiring and real estate services	192,161	4,043	187,467	4,197
Professional, scientific and technical services	213,080	8,474	214,255	9,116
Administration and support services	66,791	3,365	66,676	3,586
Public administration and safety	9,317	-10,609	9,296	-10,699
Education and training	31,299	-51	31,432	83
Health care and social assistance	92,484	-1,941	95,830	-1,799
Arts and recreational services	28,704	758	28,910	899
Other services	105,764	1,757	105,363	1,832
Other <sup>4</sup>	89,996	-1,098	95,734	-1,235
<b>ATO GST liabilities</b>	<b>1,933,633</b>	<b>43,071</b>	<b>1,929,911</b>	<b>43,745</b>
Customs collections <sup>5</sup>		2,936		3,062
<b>Total net GST</b>		<b>46,007</b>		<b>46,807</b>

1 Excludes penalties and interest on overpayments.

2 Data for the 2010–11 and 2011–12 financial years includes data processed up to 31 October 2011 and 31 October 2012 respectively.

3 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes on the Australian Business Register.

4 Includes entities that did not state their industry and 'ATO use only' codes.

5 The Australian Customs Service collects GST on taxable importations that are not subject to the deferred GST scheme.

In 2011–12, total GST refunds increased by 10.8% to \$47.9 billion, while total GST liabilities increased by 6.2% to \$91.6 billion.

**TABLE 12.2: Net GST liabilities/refunds<sup>1</sup>, by amount, 2010–11 and 2011–12 financial years**

Net liability/refund amount	2010–11 <sup>2</sup>		2011–12 <sup>2</sup>	
	No.	\$m	No.	\$m
Refund of \$10,000,000 or more	527	-27,820	580	-32,373
Refund between \$5,000,000 and \$9,999,999	380	-2,691	371	-2,617
Refund between \$1,000,000 and \$4,999,999	1,882	-3,962	1,909	-4,046
Refund between \$500,000 and \$999,999	2,120	-1,454	2,188	-1,515
Refund between \$100,000 and \$499,999	16,892	-3,503	16,794	-3,511
Refund between \$10,000 and \$99,999	97,872	-2,940	99,201	-2,982
Refund between \$1 and \$9,999	392,521	-839	389,423	-833
<b>Total refunds</b>	<b>512,194</b>	<b>-43,208</b>	<b>510,466</b>	<b>-47,877</b>
Liability between \$0 and \$9,999	868,016	3,246	852,023	3,215
Liability between \$10,000 and \$99,999	481,508	13,791	492,414	14,132
Liability between \$100,000 and \$499,999	57,864	11,639	59,938	12,059
Liability between \$500,000 and \$999,999	6,926	4,803	7,439	5,134
Liability between \$1,000,000 and \$4,999,999	5,531	11,365	5,930	12,105
Liability between \$5,000,000 and \$9,999,999	756	5,213	808	5,607
Liability of \$10,000,000 or more	838	36,221	893	39,372
<b>Total liabilities</b>	<b>1,421,439</b>	<b>86,279</b>	<b>1,419,445</b>	<b>91,622</b>
<b>ATO GST liabilities</b>	<b>1,933,633</b>	<b>43,071</b>	<b>1,929,911</b>	<b>43,745</b>
Customs collections <sup>3</sup>		2,936		3,062
<b>Total net GST</b>		<b>46,007</b>		<b>46,807</b>

1 Excludes penalties and interest on overpayments.

2 Data for the 2010–11 and 2011–12 financial years includes data processed up to 31 October 2011 and 31 October 2012 respectively.

3 The Australian Customs Service collects GST on taxable importations that are not subject to the deferred GST scheme.

**INPUT TAX CREDITS**

An input tax credit is an amount a registered entity is entitled to claim to offset the GST paid on inputs the entity acquires to use in its enterprise. However, if a registered entity makes an acquisition for private use and/or to make input-taxed supplies, it cannot claim an input tax credit. Reduced input tax credits are available for certain acquisitions relating to input-taxed financial supplies.

For the 2011–12 financial year, the wholesale trade industry recorded the most input tax credit claims of \$36.9 billion, accounting for 15.6% of all industry claims.

**TABLE 12.3: GST, input tax credits and deferred GST liabilities<sup>1</sup> on imports, by industry, 2011–12 financial year<sup>2</sup>**

Industry <sup>3</sup>	No.	Gross GST payable \$m	Input tax credits \$m	Deferred GST payments on imports \$m	Net GST \$m
Agriculture, forestry and fishing	166,599	6,341	6,207	25	158
Mining	7,353	8,178	18,893	1,577	-9,139
Manufacturing	83,558	25,735	23,594	4,497	6,639
Electricity, gas, water and waste services	5,252	7,835	7,182	95	748
Construction	307,517	25,409	18,755	364	7,018
Wholesale trade	66,890	39,608	36,888	10,422	13,142
Retail trade	124,822	27,931	25,337	1,246	3,841
Accommodation and food services	72,456	6,798	3,438	5	3,366
Transport, postal and warehousing	118,354	11,979	10,023	868	2,824
Information media and telecommunications	16,387	7,004	4,492	155	2,666
Financial and insurance services	125,760	29,073	23,854	1,284	6,503
Rental, hiring and real estate services	187,467	10,172	6,098	123	4,197
Professional, scientific and technical services	214,255	21,846	13,237	506	9,116
Administration and support services	66,676	7,206	3,659	40	3,586
Public administration and safety	9,296	3,710	15,202	793	-10,699
Education and training	31,432	2,485	2,471	70	83
Health care and social assistance	95,830	3,113	4,932	20	-1,799
Arts and recreational services	28,910	2,396	1,513	17	899
Other services	105,363	5,659	3,912	84	1,832
Other <sup>4</sup>	95,734	5,754	7,304	315	-1,235
<b>ATO GST liabilities</b>	<b>1,929,911</b>	<b>258,231</b>	<b>236,992</b>	<b>22,506</b>	<b>43,745</b>
Customs collections <sup>5</sup>					3,062
<b>Total</b>					<b>46,807</b>

1 Excludes penalties and interest on overpayments.

2 Data for the 2011–12 financial year includes data processed up to 31 October 2012.

3 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes on the Australian Business Register.

4 Includes entities that did not state their industry and 'ATO use only' codes.

5 The Australian Customs Service collects GST on taxable importations that are not subject to the deferred GST scheme.

### WINE EQUALISATION TAX

From 1 July 2000, sales tax on wine was replaced with the GST and wine equalisation tax (WET). WET is calculated at the rate of 29% of the wholesale sale value of wine and was designed to ensure that the price of wine remained stable following the introduction of the GST and removal of sales tax.

Wine producers are entitled to a rebate under the producer rebate scheme, which came into effect on 1 October 2004. Generally, the producer rebate entitles producers to a rebate of 29% of the wholesale value of domestic wine sales and applications to own use. The current maximum rebate of \$500,000 each financial year for a producer or a group of associated producers commenced on 1 July 2006.

For the 2011–12 financial year, the net WET liabilities decreased by 1.5% from 2010–11.

**TABLE 12.4: WET liabilities, 2010–11 and 2011–12 financial years**

	2010–11 <sup>1</sup>			2011–12 <sup>1</sup>		
	WET payable \$m	WET refund \$m	Net WET \$m	WET payable \$m	WET refund \$m	Net WET \$m
<b>Net WET paid Ranges</b>						
Less than \$100,000	118	216	–99	119	245	–125
\$100,000 – \$499,999	38	11	27	33	9	23
\$500,000 – \$999,999	31	4	27	40	6	33
\$1,000,000 – \$4,999,999	94	5	89	92	6	86
\$5,000,000 or more	688	16	673	701	18	683
<b>ATO WET liabilities</b>	<b>970</b>	<b>252</b>	<b>718</b>	<b>985</b>	<b>284</b>	<b>701</b>
Customs collections <sup>2</sup>			22			28
<b>Total<sup>3</sup></b>			<b>740</b>			<b>729</b>

<sup>1</sup> Data for the 2010–11 and 2011–12 financial years includes data processed up to 31 October 2011 and 31 October 2012 respectively. These liabilities do not include the New Zealand wine producer rebate.

<sup>2</sup> The Australian Customs Service collects wine equalisation tax on taxable importations.

<sup>3</sup> Totals may differ from the sum of the components due to rounding.

Effective from 1 July 2005, producers of wine made in New Zealand who are approved as New Zealand participants are also able to claim the producer rebate for wine they have produced in New Zealand and sold in Australia, in relation to which WET has been paid on that sale.

**TABLE 12.5: New Zealand wine producer rebate, 2010–11 and 2011–12 financial years**

	2010–11 <sup>1</sup>		2011–12 <sup>1</sup>	
	No. <sup>2</sup>	\$m	No. <sup>2</sup>	\$m
	200	21	205	25

1 Data for the 2010–11 and 2011–12 financial years refers to the year rebates are claimed, and includes data processed up to 31 October 2011 and 31 October 2012 respectively.

2 The number of claimants that received the rebate.

### LUXURY CAR TAX

From 1 July 2000, sales tax on luxury cars was replaced by GST and luxury car tax (LCT). For the 2011–12 financial year, the LCT rate was 33%. The tax applies to vehicles with a GST-inclusive value above the LCT threshold. In 2011–12, the threshold was \$75,375 for fuel-efficient cars, and \$57,466 for other cars.

During the 2011–12 financial year, there was a 7.9% decrease in total LCT liabilities.

**TABLE 12.6: LCT liabilities, 2010–11 and 2011–12 financial years**

Amount paid	2010–11 <sup>1</sup>		2011–12 <sup>1</sup>	
	\$m	%	\$m	%
Less than \$100,000	9	1.8	7	1.6
\$100,000 – \$499,999	48	10.2	57	13.2
\$500,000 – \$999,999	27	5.7	30	6.8
\$1,000,000 – \$4,999,999	151	31.9	163	37.4
\$5,000,000 or more	239	50.4	179	41.1
<b>ATO LCT liabilities</b>	<b>475</b>	<b>100.0</b>	<b>437</b>	<b>100.0</b>
Customs collections <sup>2</sup>	4		4	
<b>Total<sup>3</sup></b>	<b>479</b>		<b>441</b>	

1 Data for the 2010–11 and 2011–12 financial years includes data processed up to 31 October 2011 and 31 October 2012 respectively.

2 The Australian Customs Service collects luxury car tax on taxable importations.

3 Totals may differ from the sum of the components, due to rounding.

Primary producers can claim a refund of up to \$3,000 for one eligible car purchased or leased in a financial year. Tourism operators can claim a refund of up to \$3,000 for each eligible car purchased or leased in a financial year. For the 2011–12 year, there were 184 refunds paid, totalling around \$258,000. This refund amount is slightly less than 2010–11, which had 197 refunds paid totalling around \$275,000.

### **SOURCE OF GST AND OTHER TAXES STATISTICS**

The statistics in this chapter are sourced from 2011 and 2012 GST, WET and LCT liabilities reported on business activity statements, GST annual returns, and information reports as at 31 October 2011 and 31 October 2012 respectively. The Customs collection statistics in this chapter are provided by the Australian Customs Service.

A copy of the *Business activity statement* is in the appendix – you can view or download it in PDF file format from the attached CD-ROM or from the online version of *Taxation statistics* on our website at [ato.gov.au](http://ato.gov.au)

### **GST AND OTHER TAXES CHAPTER TABLES**

The GST and other taxes chapter tables are on the attached CD-ROM and included in the online version of this publication on our website – you can view or download all the chapter tables in Excel.

### **LIST OF GST AND OTHER TAXES DETAILED TABLES**

The following detailed table is on the attached CD-ROM and included in the online version of this publication on our website – you can view or download the detailed table in PDF or Excel format.

#### **Table 1: Selected GST, WET and LCT items, 2000–01 to 2011–12 financial years**

This table shows selected GST, WET and LCT items for multiple financial years.