

# PETER POLGAR & ASSOCIATES PTY LTD

ACN 002 878 917 ABN 35 413 562 956



Friday, 19 September 2008

Board of Taxation Secretariat  
C/- The Treasury  
Langton Crescent  
PARKES ACT 2600

Pages: Two (2)  
E-mail – [taxboard@treasury.gov.au](mailto:taxboard@treasury.gov.au)

Dear Sir/Madam

**Review of the legal framework for the administration of the GST - Small Business Issues**  
**Northern Beaches Practitioner Tax Discussion Group (NSW)**

1. Oct-Dec (Q2) BAS should have more time or an ability to lodge BAS beyond 28 February date by an extra 30 days as normal, as Small business are not available due to Christmas and Holiday period. Impact is also felt by Tax Agents lodging client/small business BAS at the same time, no allowance for tight time frames for either party. Suggest to maintain ATO cashflow BAS payment for Q2 allow election for either estimate/prior quarter amount to allow for adjustment to actuals in Q3.
2. For commercial partnership rental properties (where partners are registered for GST) current requirement is that for GST purposes partnership needs to lodge a separate BAS whereas for income tax returns this is not necessary since it can be attended to via rental schedules -need to correct this inconsistent requirement (i.e. currently need to have a partnership for BAS purposes whereas do not need to lodge a partnership income tax return). Propose that this problem could be overcome by the ability to quote the partners respective ABN's on the tax invoices.
3. Reduce burden to have tax invoices on minor items i.e. increase threshold from \$75 to \$300. For example, allow for simplified accounting for minor items such as petty cash (milk, stationery etc combination of tax free & taxable items) for example \$300 to agree with income tax.
4. Remove GST anomaly on insurance (i.e. minor stamp duty no GST) allow GST to be calculated on all minor statutory cost. Therefore up to \$1,000 should be subject to GST in full irrespective of stamp duty component. Since for small business clients it is difficult for them to know all the GST determinations.
5. Small business needs the ability to make adjustments/corrections to prior BAS lodgements on any future BAS without any time constraints, allowing for much greater flexibility in correcting minor errors.
6. There should be an easy ability to convert from monthly BAS lodgement to Quarterly BAS Lodgement.
7. GST is generally payable by the importer at the same time as customs duty is levied. however, a special scheme allows most importers to defer paying any GST on imported goods until they lodge their next BAS. This creates cash flow benefits because it allows importers to claim their input tax credit on the importation pursuant to division 15, at the same time as they account for their GST liability. the end result is that importers will never have to physically pay GST on the importation. for small business it should be more flexible? If turnover is less than \$1,000,000 should be able to defer payment of GST until physical payment to avoid pre payment. should be consistent with cash accounting to avoid unnecessary reconciliation.

---

## PETER J POLGAR

B.COM FCPA FTIA FNTAA AFAIM SSA JP  
CERTIFIED PRACTISING ACCOUNTANT & REGISTERED TAX AGENT

◆ ACCOUNTING ◆ TAXATION ◆ BUSINESS ADVISORS

Office Address: Suite 211 "Marvic House" 658 Pittwater Road Brookvale NSW 2100

Postal Address: P.O. Box 53 Brookvale NSW 2100

☎ Phone: (02) 9939 3299 ☎ Fax: (02) 9939 3288 📱 Mobile: (0414) 861 306 E-mail: [ppolgar@bigpond.net.au](mailto:ppolgar@bigpond.net.au)

Liability limited by a scheme approved under Professional Standards Legislation



Yours sincerely

*Peter J Polgar*

Peter J Polgar FCPA  
Director