

Module	TAX
Jurisdictions	CTH, NSW, VIC, SA, TAS, WA, NT, QLD, ACT
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Module Application

Is the business entity an employer subject to payroll tax in respect of wages paid to employees or fringe benefits tax for non-wage benefits and does the entity make superannuation contributions to employees in respect of employment?

Does the business entity understand its tax obligations in respect of gross income it generates, or is it an entity registered to charge tax on the supply of goods and services?

Is the business entity a wholesaler or producer of wine, or does it purchase depreciating assets such as luxury cars valued over the luxury car tax threshold and subject to a 33% tax rate, or real property which may be subject to stamp duty and land tax?

Module Scope

The *TAX* module informs the entity, organisation or individual operating in Australia of their legislated legal obligations. The module also demonstrates effective practical advice and assistance to the entity, organisation or individual operating in Australia to implement procedures and processes that will ensure compliance and regulatory accountability throughout all levels of the entity.

The *TAX* module advises entities, organisations and individuals of the processes and procedures they need to implement to ensure compliance with all legal and regulatory obligations. Core legal and regulatory obligations are based on considerations of the broad questions determining;

- › Decision making;
- › Accountability;
- › Stewardship;
- › Direction; and
- › Control.

To fulfil its purpose the module focuses on providing practical assistance to the Australian entity establishing and maintaining a robust foundational framework that determines;

- › How the organisation will function;
- › Who is the responsible decision maker;
- › What matters are relevant to the decision-making process; and
- › Whether the desired outcome has been achieved.

As entities, their employees and authorised individuals are all expected to be familiar with the broad landscape of legal obligations to which they are subject as well as more specific obligations relevant to the particular sector they are operating in, the *TAX* module should be subscribed by all entities and organisations operating in Australia, their employees and authorised individuals. The aim of the module is to equip the subscriber with knowledge of their obligations and the skills they require to establish relevant systems and processes to ensure compliance throughout their organisation.

A business organisation or entity operating in Australia are obligated to fulfil taxation requirements for some or all of these taxes;

- › Income tax;
- › Goods and Services Tax (GST);
- › Fringe Benefits Tax (FBT);
- › Superannuation Guarantee (SG);
- › Wine Equalisation Tax (WET);
- › Luxury Car Tax (LCT);
- › Payroll tax;
- › Land tax; and
- › Stamp duty.

The broad scope of the *TAX* module is to provide entities or organisations operating in Australia with answers to these questions in relation to their payment of tax;

- › What are our legal obligations?
- › From where are our legal obligations derived?
- › How can we ensure that we are complying with our legal obligations?
- › What are the consequences if we are not complying with our legal obligations?

The *TAX* module covers all legislated legal obligations of entities or organisations operating in Australia and demonstrates practical assistance and guidance to ensure that these obligations are complied with through the implementation and maintenance of best practice processes throughout the organisation. The module also covers the role of the regulator as well as exemptions to the obligations, if applicable, and how they may or may not apply in particular circumstances.

The module fulfils this objective by comprehensively covering three main areas;

The legislative and regulatory landscape from which the primary legal obligations are derived;

- › Income Tax Assessment Act 1936 (Cth);
- › Income Tax Assessment Act 1997 (Cth);
- › Taxation Administration Act 1953 (Cth);
- › Income Tax Rates Act 1986 (Cth);
- › Income Tax Act 1986 (Cth);
- › Medicare Levy Act 1986 (Cth);
- › A New Tax System (Pay As You Go) Act 1999 (Cth);
- › A New Tax Systems (Goods and Services Tax) Act 1999 (Cth);
- › Fringe Benefits Tax Assessment Act 1986 (Cth);
- › Superannuation Guarantee (Administration) Act 1992 (Cth);
- › Superannuation Guarantee Charge Act 1992 (Cth);
- › A New Tax System (Wine Equalisation Tax) Act 1999 (Cth);
- › A New Tax System (Luxury Car Tax) Act 1999 (Cth);
- › A New Tax System (Australian Business Number) Act 1999 (Cth);
- › State and Territory **Payroll Tax Acts** (ACT 2011), (NSW 2007), (NT 2009), (QLD 1971), (SA 2009), (TAS 2008), and (VIC 2007);
- › State and Territory **Land Tax Acts** (ACT 2004), (NSW 1956), (QLD 2010), (SA 1936), (TAS 2000), and (VIC 2005);
- › State and Territory **Duties Acts** (ACT 1999), (NSW 1997), (QLD 2001), (TAS 2001), (VIC 2000), and (WA 2008);
- › State and Territory **Taxation Administration Acts** (ACT 1999), (NSW 1996), (QLD 2001), (SA 1996), (TAS 1997), (VIC 1997), and (WA 2003);
- › Land Tax Management Act 1956 (NSW);
- › Land Tax Regulation 2010 (QLD);
- › Stamp Duties Act 1923 (SA);
- › Payroll Tax Assessment Act 2002 (WA); and
- › Land Tax Assessment Act 2008 (WA).

The specific areas where legal and regulatory obligations apply to the entity or organisation operating in Australia;

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| › Income tax; | › Adjustments; and |
| › Tax file numbers; | › Corrections. |
| › Australian Business Numbers; | › Fringe benefits tax (FBT); |
| › Pay as You Go (PAYG); | › Registration; |
| › Record keeping; | › Calculating the taxable value; |
| › Lodgement of returns and payment of tax; and | › Concessions for non-profit organisations; |
| › Applications for extension of time. | › Record keeping; and |
| › Goods and Services Tax (GST); | › Lodgement of returns and payment of FBT. |
| › Registration; | › Superannuation guarantee; |
| › Taxable supplies; | › Determine eligible employees; |
| › Taxable importations; | › Employee super funds; |
| › Issuing of invoices; | › Providing TFNs; |
| › GST-free and input taxed supplies; | › Record keeping; and |
| › Claiming input tax credits; | › Payment. |
| › Not for profit organisations; | › Payroll tax; |
| › Record keeping; | › Registration; |
| › Business Activity Statement (BAS); | › Record keeping; |
| › Annual GST return and payment; | |

- Lodgement of monthly returns, annual reconciliation and payment of payroll tax; and
- Not-for-profit organisations.
- International tax;
- Australian residents conducting business overseas;
- Payments to foreign residents; and
- Transfer pricing.
- Land tax;
- Registration;
- Payment;
- Duty on transfers of real property; and
- Non-profit organisations.
- Stamp duty;
- Lodgement of documents;
- Payment;
- Transfers of business assets; and
- Non-profit organisations.
- Making balancing adjustments of capital allowances;
- Wine Equalisation Tax (WET) and Luxury Car Tax (LCT);
- Registration;
- Calculation, collection and credits; and
- Reporting and payment.
- Entities – reports and returns;
- Individuals;
- Partnerships;
- Trusts;
- Companies;
- Superannuation; and
- Not-for-profit organisations

Significant consequences can apply to entities or organisations operating in Australia found to have breached or not complied with their tax legal obligations. These consequences vary considerably depending on the nature and extent of the breach or failure. The TAX module covers specific consequences in detail. They can include the imposition of a tax penalty, an administrative penalty or charge, or a general interest charge on amounts of outstanding tax.

The TAX module primarily focuses on the civil obligation for an entity or organisation operating in Australia to pay tax. The module does not focus on tax fraud or tax evasion which are criminal offences that can result in terms of imprisonment for offenders.

The TAX module does not cover the rights or entitlements of individuals who have suffered damages or losses due to breaches of obligations by Australian tax paying entities or organisations. The module does not cover the process that an entity or an individual would follow to report or seek compensation for the breach or their loss.

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