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TOP LINES:

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Section 22 the ATO released some general advice on the 20th May 2015. The information included specific information on ride sourcing and the implications for the provision of taxi services.

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- Importantly the same special GST rules that have applied to traditional taxi drivers apply to businesses that provide ride-sourcing services through the use of apps and websites. They are required to hold an ABN and register for GST regardless of their turnover.
- Recognising the need for some changes in the industry the ATO has given drivers until 1 August 2015 to obtain an ABN and register for GST.

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KEY FACTS AND FIGURES:

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- The main supplier of ride-sourcing services in Australia say they have 9000 partners averaging \$30,000 turnover a year. This would equate to approximately \$650 in GST a quarter.

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BACKGROUND:

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- The ATO has provided guidance that same rules for GST legislation apply to ride-sourcing services as to taxis. This is a separate issue to whether ride-sourcing vehicles are 'taxis' for state and territory regulatory purposes.
- The ATO consulted extensively with key industry stakeholders as well as State and Territory regulatory bodies in forming its view. This ATO guidance would come as no surprise to any in the industry. The ATO extensively consulted with key stakeholders over the past six months and in particular over the past month in the lead up to the release of the information. The feedback was carefully considered and the ATO clearly and openly shared their views and when it would be released.
- The ATO has also provided ongoing consultation to a major ride sourcing provider, seeking to provide a compliance solution to commercial realities whilst publishing the ATO view of the law for the general public. The ride sourcing provider has made public statements that it will challenge the ATO view. The ATO remains committed to continuing to consult with the industry.

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