

**FOR OFFICIAL USE ONLY****Meeting with David Rohrsheim, General Manager of Uber, 10am Friday 5 June**

- On 20 May 2015, the Australian Taxation Office (ATO) released public guidance confirming that people who provide ride-sourcing services, such as Uber drivers, are providing 'taxi travel' under the GST law.
- From 1 August 2015, affected drivers now must register for GST, charge GST on the full fare, lodge business activity statements and report the income in their tax returns, regardless of their turnover.
- 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. Taxi businesses are required to hold an ABN and register for GST regardless of their turnover.

*Background*

- Australian resident businesses must register and charge GST whenever their turnover is above \$75,000 per annum.
- However, special tax rules apply to 'taxi' businesses. 'Taxi' businesses are required to register for GST and are not subject to the turnover threshold.
  - The application of the GST to taxi services was considered at the introduction of the GST. Based on overseas experiences it was decided that a registration threshold would not apply as there were many taxi drivers who only drove taxis some of the time and hence were below the registration threshold. This led to a situation where there were taxis that charged a GST inclusive price and taxis that were able to charge a lower fare because they did not have to charge GST.

## Section 22

- Businesses operating in the 'sharing economy' such as Uber Section 22 should be subject to the same tax laws as other businesses in their industries.

*Industry consultation*

- 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. The 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.