



Australian Government

Australian Taxation Office

BAS Update – BAS Simplification

This presentation provides a high level overview of options currently being explored by the ATO to improve the BAS experience for small business.

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Why small business want GST record keeping simplified



13%
new small
business GST
registrants each year

90%
of businesses use
some form of
software for their
accounting



**\$4,000-
\$14,000
=x hours
ANNUALLY**

**How
Accurate** is
G label data?



Mixed supplies are
very common
47% taxable
supplies

75%
of time is spent on
classifying sales
and purchases
based on their GST
status

10.8%
of time is spent on
lodgment,
calculations and
paying tax



Perceptions that GST
compliance costs are
too high and the
primary source is
GST record keeping!

Billions \$
GST compliance
costs to small business

“Mixed supply invoices have to be entered line by line into my software”

“I feel forced to use a tax agent because GST is so complex”

“Classifying sales and purchases into various GST tax codes in my software is complex”

“The GST formula and GST worksheet is too complex”

Why small business want BAS simplification

BAS form with GST information labels

GST Worksheet (20 GST labels)

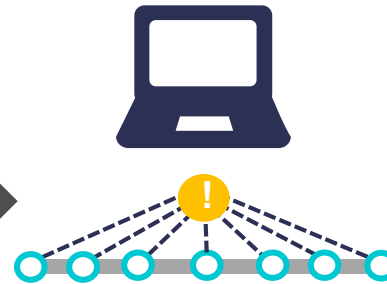
GST tax codes in accounting software

GST record keeping costs

A screenshot of a BAS form with various fields and labels highlighted in red. The form includes sections for business activity, GST information, and methods of payment. The labels are placed over the form to indicate where GST information is required.

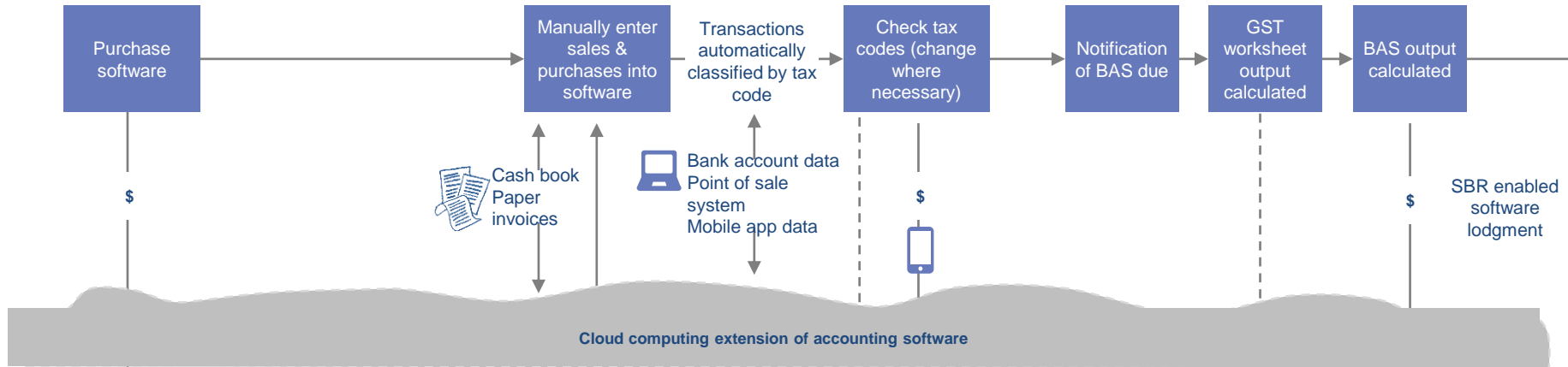


A screenshot of a GST calculation worksheet for BAS. It features a table with columns for GST amounts and rows for different GST categories. The table is titled 'GST calculation worksheet for BAS' and includes a warning: 'Do not lodge the calculation sheet with your BAS'.

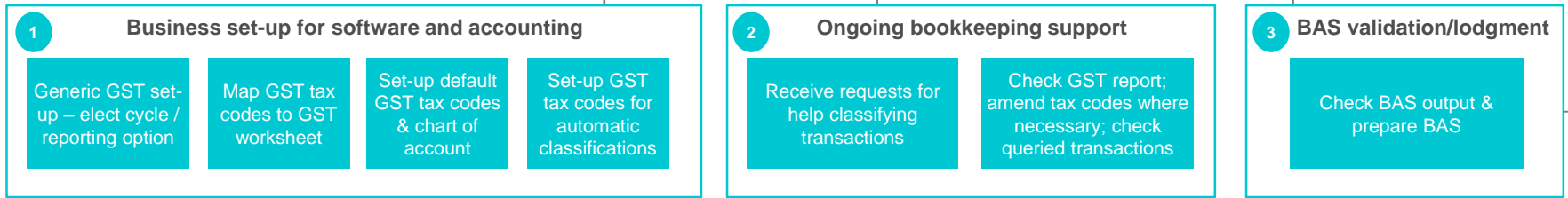


Sources of GST compliance costs

SMALL BUSINESS



TAX PROFESSIONAL



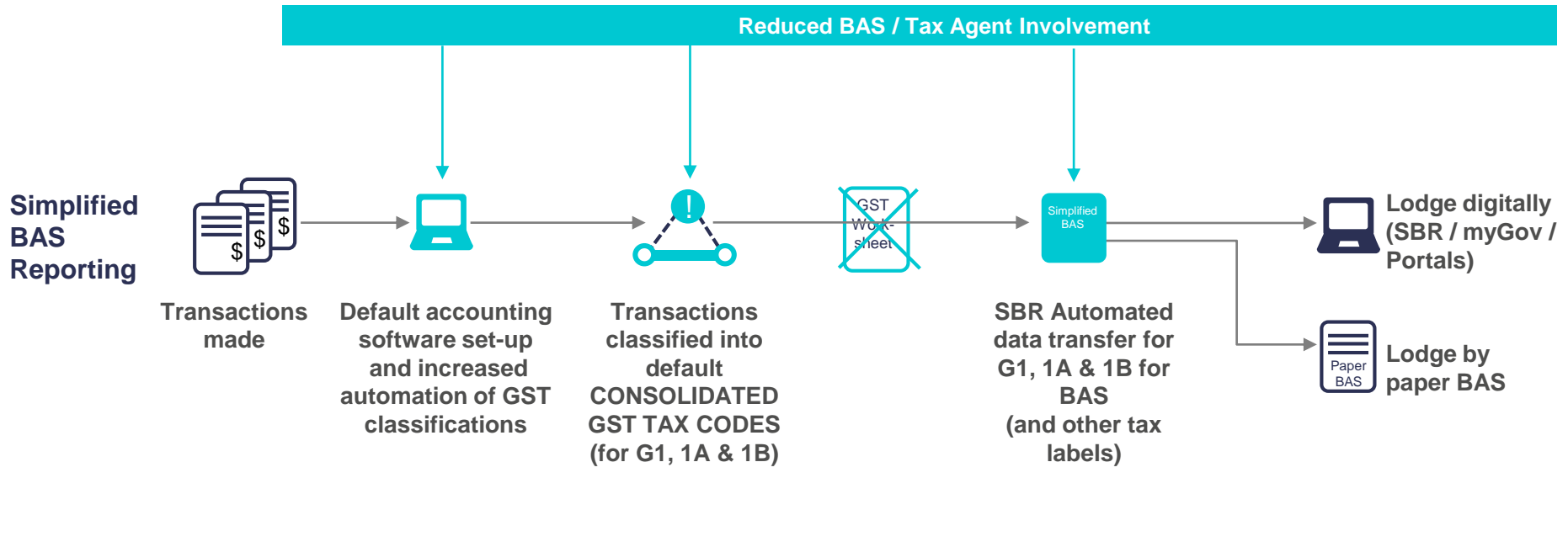
Client contacts call centre / utilises ato.gov to find help

ATO



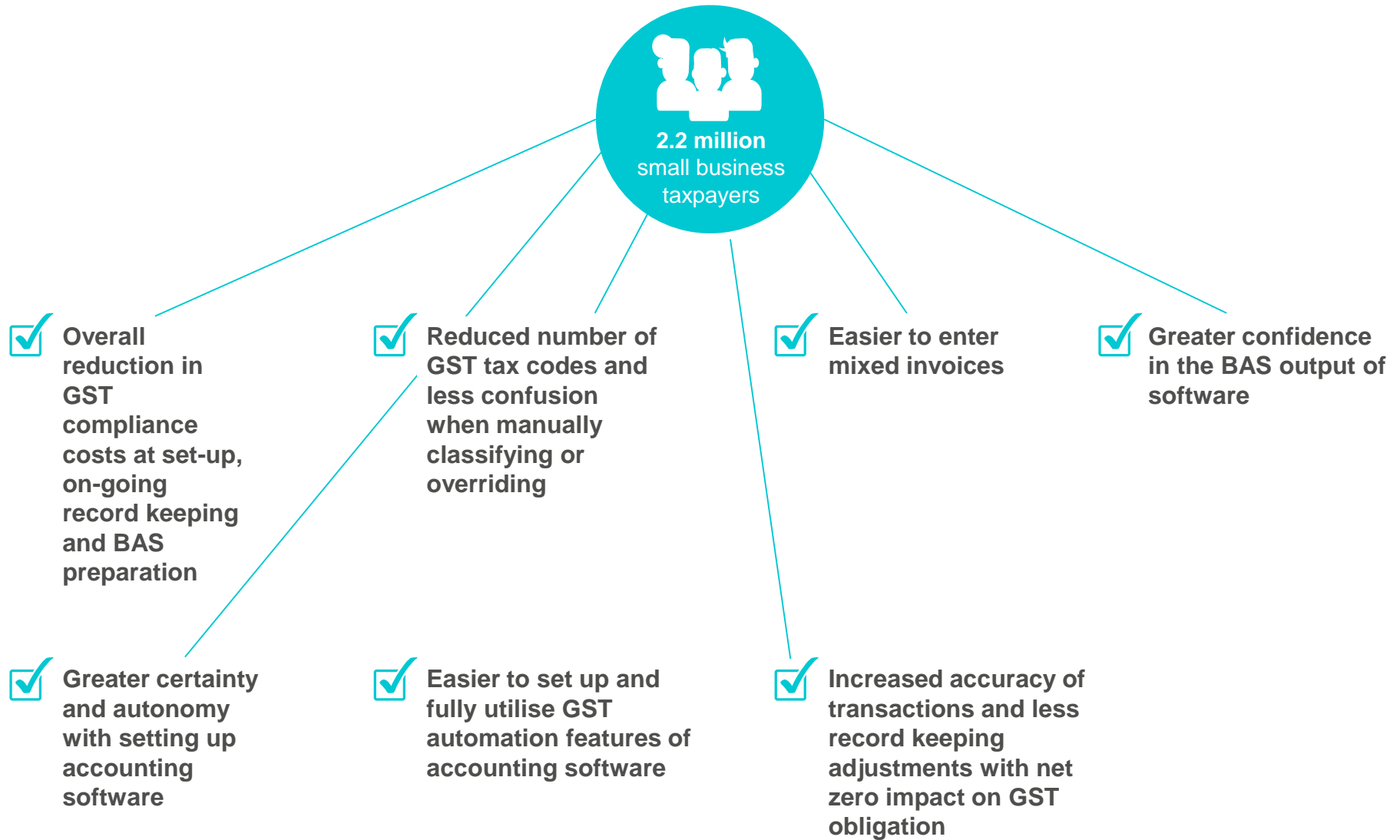
What small business are asking for

PROPOSED BAS EXPERIENCE FOR GST



○ Denotes potential client experience improvements

Benefits of the simplified BAS



Next steps

The ATO are seeking to work with the accounting software providers to explore the Simplified BAS concept including:

- On-going consultation and co-design with software providers, small business, industry reps and tax professionals
- Evaluate the concept and test with small business via targeted research activities
- Partnering with interested software providers to explore the possibility of a field evaluation with re-configured software for simplified BAS.

How to get involved

- Simplified BAS field evaluation
- BASSimplification@ato.gov.au

Questions?