

Customs has a key role in tax reform program

To help the trading community prepare for the new laws Customs will deliver information and training packages across the nation this year and early in 2000. They will highlight the impact the changes will have on Customs procedures and help smooth the way to tax reform.

Customs brokers and freight forwarders have realised two things recently following consultation and information sessions held by the Customs Tax Reform Team in recent months. Firstly, they have a lot to do regarding tax reform and secondly they don't have much time to do it.

The reforms affecting Customs and trading businesses include abolition of the wholesale sales tax and introduction of the GST, luxury car tax, wine equalisation tax and the Australian Business Number. All come into effect from 1 July 2000. Changes will also occur for excise and like-customable goods. Transitional arrangements for wholesale sales tax took effect from 29 July 1999 and per-stick tobacco changes will occur on 1 November 1999.

The trading community has a lot to do to get ready for the new tax system – and they don't have much time in which to do it.

Under the new tax system Customs will raise about \$12 billion or one-third of the Commonwealth Government's expected revenue from the goods and services tax (GST). At the same time other tax reforms will be introduced and importers, exporters and service providers need to get ready to meet their obligations.

Jennifer Stonebridge reports.

Project Director of Customs Tax Reform Team, Mark Harrison, said the biggest challenge facing the importing and exporting community was understanding how the tax reforms will affect their businesses.

"The way clients lodge their transactions with Customs won't change," Mark said.

"However tax reform raises many issues for importers and exporters, such as the difference between taxable supplies and taxable importations, different ways of valuing imported goods compared to locally supplied goods and changes to the way clients identify themselves to Customs. Although the changes facing business are complex, the

reform team is working closely with the Australian Taxation Office and industry to deliver the information businesses need to fulfil their legal obligations regarding the new tax system.

"We have already delivered presentations to brokers and other members of the importing community on how the GST and other tax reforms work and the impact they will have on their businesses.

"From our discussions with brokers at focus group meetings held in Adelaide and Sydney in August we gained an understanding of some of the difficulties and concerns facing the importing community, which we will be addressing in new training packages."

The packages are being developed to help traders better understand the tax reform legislation and how to do business with Customs once the new tax system is implemented.

"The information and training sessions will provide a comprehensive education program covering how goods and services tax applies to imports and exports," Mark said.

"The program also covers the Australian Business Number, how luxury car tax and wine equalisation tax apply to imported goods and how to clear goods through Customs under the new tax system."

Mark said the Australian Business Number (ABN) would be one of the biggest changes to the way importers and exporters would work with Customs.

"The ABN is a new single identifier which will be used for dealings with the Australian Taxation Office and for future dealings with other government departments and agencies, including Customs. ABN holders will use it to do business with Customs and will need to include the ABN on their tax invoices."

To complete delivery of the education program the Customs Tax Reform Team held further information sessions on the new tax system for brokers in October. Further sessions are planned for November. The training program will be delivered from March to April 2000.

"I strongly advise all members of the trading community to attend the information sessions and the training program," Mark said.

"The training program in particular will build on understanding of the new tax system giving them greater confidence to operate in the new tax environment."

The information sessions and training program will be coordinated in all states and territories by the Customs Brokers Council of Australia (CBCA) in consultation with Customs.

For information on tax reform *Awareness Plus* training seminars contact:

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Jeff Radcliffe (08) 8946 9851.

The New Tax System

Here's how it will affect your business



THE NEW TAX SYSTEM Make it your business



For information on how tax reform affects your business with Customs:

- phone the Customs Tax Reform Team on **02 6275 5068**
- email: **information@customs.gov.au**

For general information on tax reform from the Australian Taxation Office:

- phone the general Tax Reform Infoline on **13 61 40**
- phone the business Tax Reform Infoline on **13 24 78**
- phone the Wholesale Sales Tax Rate Reduction Infoline on **1800 634 905**
- download information from the ATO website at **www.taxreform.ato.gov.au**
- get A Fax from Tax on **13 28 60**
- write to the Australian Taxation Office at **PO Box 9935** in your capital city.

If you need help in a language other than English, phone the Translating and Interpreting Service on **13 14 50**.

Registering for your Australian Business Number

The Australian Taxation Office mail-out of ABN tax packs commenced on 1 November 1999. If you have not received your copy please contact the ATO Business Tax Reform Infoline on 13 24 78.