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Learn about tax and the ATO

Learn more about how we support key tax-paying populations and access educational resources for students.

Education zone



Education zone provides resources to help teach tax and superannuation in primary and secondary school.

Tax and Corporate Australia



How we obtain confidence that large corporate groups are paying the right amount of tax.

Tax and small business



We measure small business income tax performance, estimate their income tax gap and use research to reduce the tax gap.

Essentials for strengthening your small business



Essentials to strengthen your small business is a new online learning tool to improve your business knowledge.

Tax and Corporate Australia

How we obtain confidence that large corporate groups are paying the right amount of tax.

Last updated 1 November 2024

An effective tax system supports the social benefits we all enjoy. The key to an effective tax system is a high level of willing participation. This is built on the community having confidence:

- that all taxpayers are paying the right amount of tax
- in us as administrators.

We share our tax system insights with you to improve awareness and encourage voluntary compliance.

The community is especially concerned with the income tax compliance of large corporate groups. This population is made up of 2,081 groups. Each has a turnover of more than \$250 million and makes a significant contribution to our tax system and the Australian economy.

Based on our detailed knowledge of the system, most large corporate groups pay the right amount of tax. There will always be some who deliberately avoid their tax obligations. Our message to businesses operating in Australia is clear: you must pay the right amount of tax on the profits you earn here.

We take our responsibility to the Australian community seriously. Here you can find out how we are:

- improving the system for those who want to comply
- taking firm action against those who choose not to.

We hope it provides you with an increased understanding of how Australia's tax system is operating for the largest corporations.

We have confidence in the tax compliance of large corporate groups



Large corporate groups make a significant contribution to our economy and play a critical role in the tax system.

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We have confidence in the tax compliance of large corporate groups

Large corporate groups make a significant contribution to our economy and play a critical role in the tax system.

Last updated 1 November 2024

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The significance of large corporate groups

There are 2,081 large corporate groups in Australia, each with a turnover of more than \$250 million. Their tax contribution and compliance help support community confidence in our tax system.

Tax performance

The tax performance of large corporate groups matches their economic performance.

The tax payments of Australian publicly listed businesses generally track closely with their reported pre-tax profits. The trend in the tax-to-income ratio of majority foreign-owned large corporate groups is also similar to comparable Australian public companies in recent years.

Recent fluctuations in corporate tax collections have been driven by a range of economic factors. This includes movements in commodity prices, in particular the iron ore, oil and gas price. These have led to changes in the profitability of Australia's largest miners and their income tax payable.

For more information, see [**Macro-level analysis is giving us confidence.**](#)

Tax gap

The large corporate groups income tax gap is similar to comparable jurisdictions and a relatively small proportion of the total corporate income tax base.

The difference between the tax payable according to law and tax actually collected from taxpayers is the tax gap. Most of tax due is paid voluntarily and we collect some of the remainder through compliance activity. What is left uncollected is known as the net tax gap.

In 2021–22, approximately \$83.8 billion was voluntarily reported by large corporate groups. We estimate the net tax gap at \$3.6 billion, or 4.1% for this fiscal year. We estimate the gross tax gap at \$6.3 billion, or 6.8%.

For more information, see [Estimating the tax gap](#).

Initiatives to reduce the tax gap

Initiatives under the Tax Avoidance Taskforce and capability and performance improvements are helping us to sustainably reduce the tax gap.

The large corporate groups income tax gap estimate of 4.1% reflects our strong administration and compares well globally.

Under the umbrella of the taskforce, we design our initiatives to sustainably reduce the tax gap even further. We do this primarily by improving the amount voluntarily paid – that is, by reducing the gross tax gap.

For more information, see [Initiatives to sustainably reduce the tax gap](#).

The four pillars of compliance

Full compliance with 3 of the four pillars of compliance has us focused on the correct reporting pillar.

Under the Organisation for Economic Co-operation and Development (OECD) framework, there are four pillars of tax compliance:

- registration
- lodgment

- correct reporting
- payment.

Large corporate groups have full compliance with 3 of the four pillars:

- registration – all large corporate groups are registered for tax purposes
- lodgment – all active large companies lodge, albeit some late and requiring reminders
- payment – large corporate groups generally make their tax payments on time. Any outstanding tax debt relates almost exclusively to disputed assessments.

Our key focus area with large corporate groups is the correct reporting of their taxable income. Disputes are usually in grey areas such as transfer pricing and borderline between acceptable tax planning and tax avoidance.

For more information, see [The OECD four pillars of compliance](#).

Compliance results

Our compliance results are a small portion of the income tax paid by large corporate groups.

Over the past 5 years, we have collected additional income tax from large corporate groups through our compliance activity. This has been less than 4% of the aggregate tax they paid voluntarily.

In some cases, we do apply penalties where we considered there was a lack of reasonable care taken in applying the tax law. Generally, our reviews do not identify the need to apply penalties due to recklessness or intentional disregard of the tax law.

For more information, see [Results from our compliance activities](#).

QC 53274

Public information

The reforms that give additional sources of publicly available information about tax compliance.

Last updated 1 November 2024

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How we treat public and private information

The public often look to the tax affairs of specific large corporate groups to determine how well the tax system is working. The privacy provisions under which we operate mean we generally can't provide information to the public about specific taxpayers.

This has meant the public have had to rely on other materials such as statutory accounts issued by a company as the main source of information about its tax affairs. In rare instances, further information has become available when a company has disputed their tax affairs in court.

Additional data sources

Additional data sources help the community understand the tax compliance of large corporate groups. Reforms have provided additional sources to the public. These include:

- **Report of entity tax information** – the annual corporate tax transparency publication of
 - name
 - ABN
 - total income
 - taxable income
 - tax payable of all corporate tax entities earning over \$100 million

- For income years up to 2021–22, the threshold for Australian-owned resident private entities to be included in the report was \$200 million.
- entities that have petroleum resource rent tax (PRRT) payable
- **Research and development (R&D) tax incentive transparency report** publication of
 - name
 - ABN
 - total R&D expenditure
- the requirement for significant global entities to provide general purpose financial statements to us and for those statements to be published by the Australian Securities and Investments Commission (ASIC), where they haven't already been lodged with ASIC
- enhancements to the accounting framework applying to uncertain tax positions.

Many large corporate groups have already started providing much more detailed information about their taxation affairs to help inform public debate.

Over 215 corporate groups have signed up to the Board of Taxation's **Voluntary Tax Transparency Code**. Over 175 of these companies are large corporate groups who are partly responsible for approximately two-thirds of corporate tax payable and represent a large proportion of corporate activity in Australia.

Audited accounts may contain information on material book to tax adjustments in preparing the provision for tax. Accounting standards on disclosure of uncertain tax positions have also been strengthened. This means companies must estimate their exposure on all matters it is probable we will dispute.

For more information, see **Publicly available data to help understand tax compliance**.

We are an active and capable administrator

How we help large corporate groups and assure the community they are complying with tax obligations.

Last updated 1 November 2024

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Our workforce

Our workforce focused on large corporate groups is larger and more skilled than it has ever been.

We continue to build on a highly capable workforce of over 1,400 staff dedicated to providing guidance (such as rulings), assistance and assurance to tax compliance of large corporate groups.

Our workforce has been bolstered by additional recruitment under the Tax Avoidance Taskforce (taskforce).

Our proactive approach

Our approach is to proactively inform the market of areas of concern as we become aware of them.

The tax affairs of large corporate groups tend to be more complex due to their international dealings and the size of their businesses.

Under the taskforce, we actively address multinational tax avoidance. Preventing other taxpayers entering into tax avoidance schemes is a key element of our strategies.

This has contributed to use of taxpayer alerts that:

- provide an early warning to taxpayers and their advisers about our concerns
- cover new or emerging transactions, structures or arrangements we consider may represent a compliance risk.

We use practical compliance guidelines (PCGs) to support compliance. PCGs generally set out our view of what concerns us and what doesn't, from a compliance perspective. They're often used in grey areas like transfer pricing.

We continue to issue public rulings to provide our interpretation of legal provisions. Law companion rulings provide this advice to clients at the time the legislation is drafted. They become public rulings when the legislation is passed.

Most large corporate groups don't consciously take on tax risk. Knowing we have concerns with an arrangement allows them to make more informed compliance choices. They can do this by:

- engaging with us
- seeking independent advice
- deciding not to proceed with an arrangement.

The underlying intent of our public advice and guidance is to help inform businesses of their obligations and interpretation of the law. This is so large corporate groups don't inadvertently find themselves in a tax dispute because they didn't know our position.

We take robust compliance action to test our understanding of the law if a large corporate group takes a position we have flagged as of concern. Our litigation strategy also includes identifying strategic cases for litigation to clarify the law.

For more information, see [Population-wide approaches to preventing non-compliance](#).

One-to-one engagement

One-to-one engagement with large corporate groups gives us assurance over approximately two-thirds of all corporate income tax.

Economic activity and corporate income tax obligations are highly concentrated in approximately 2,081 large corporate groups each earning over \$250 million in income. They pay approximately two-thirds of all corporate income tax. The largest 100 pay about 55%.

This concentration of economic activity and tax payments means it is possible to obtain assurance over a large percentage of the corporate income tax base. We do this through detailed one-on-one reviews of a small number of companies.

We already perform detailed one-on-one reviews of the largest 100 corporate groups. Extra government funding under the taskforce enables us to extend these reviews to the rest of the population and obtain a greater level of assurance over their tax compliance.

We use a range of approaches, including applying risk rules to quantitative data, to review the remaining large corporate groups. When we identify risk, we take specific action.

We have a high level of engagement with the large corporate groups population. The knowledge we have gained from this makes us confident we are identifying and addressing the risk that taxable income is not being reported correctly.

Through taskforce-enabled initiatives we will have detailed coverage of the income tax paid by these groups. This work underpins our aim of having confidence in the tax compliance of large corporate groups.

For more information, see **One-to-one engagement with large corporate groups**.

For more information about our tax performance programs, see:

- Findings report – Top 100 income tax and GST assurance programs
- Findings report – Top 1,000 income tax and GST assurance programs

Data sources

We use a range of data to inform our risk analysis and assurance over the tax compliance of large corporate groups.

We have access to detailed information on specific large corporate groups through their tax returns and information they provide as part of our ongoing engagement.

We can also obtain further information, when we need it, through our statutory powers.

We have access to significantly more information than ever through:

- automatic exchange of rulings between different revenue authorities
- Country-by-Country (CBC) reporting – where multinational groups have to report their global structures and tax affairs by country.

We also obtain information on:

- cross-border transactions and arrangements through the international dealings schedule
- transactions and arrangements we consider high risk or of concern through the Reportable tax position (RTP) schedule.

Information from the International dealings and RTP schedules helps us understand tax risks at the taxpayer and population level. We publish limited information about the disclosures made on the RTP schedule. We released the **Reportable Tax Position Findings report** for the 2022–23 income year on 18 September 2024.

We have statutory powers to deal with multinational groups that seek to obscure their global operations. Under the diverted profits tax, we can issue an assessment at a 40% tax rate (payable upfront) where profits are being shifted to low tax jurisdictions without the necessary economic substance. This increases the pressure on multinational groups to be upfront about their global structures and provide information to us voluntarily.

For more information, see **Publicly available data to help understand tax compliance**.

Dispute prevention and resolution

We aim to prevent disputes but when they arise we work to resolve them as early as possible.

Corporate taxation is complex, especially when applied to large corporate groups. This can lead to differences in opinion between us and taxpayers on how the law applies.

Sometimes a large corporate group will prefer to proceed to dispute rather than accept what they might see as an adverse audit outcome.

When such disputes arise, we may apply alternate dispute resolution processes. This can include:

- mediation
- conciliation
- early neutral evaluation methods
- agreeing to a settlement.

Settlements are an important part of the administration of the tax system. They allow us to exercise discretion and good sense in balancing competing priorities. This helps us meet our obligation to administer the tax system efficiently and effectively.

We recognise the community are interested in knowing settlements are appropriate. This is why we provide information about our settlement processes and have an independent assurance process in place.

We also recognise a settlement isn't always appropriate. Sometimes litigation is essential to ensure the health of the tax system.

For more information, see [Managing disputes with large corporate groups](#).

QC 53275

A strong domestic tax regime

How Australia's tax laws and rules strengthen our domestic tax regime for large corporate groups.

Last updated 1 November 2024

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Recent enhancements to the tax regime

Australia's tax regime has been significantly bolstered over the past few years across a range of areas. This includes through:

- enhancements to the general anti-avoidance rule (GAAR) by introducing
 - the multinational anti-avoidance law (MAAL)
 - the diverted profits tax
 - other amendments
- enhancements to the transfer pricing provisions to align with OECD best practice
- adoption of a range of transparency measures, including country-by-country (CBC) reporting.

General anti-avoidance rule (GAAR)

Australia is fortunate to be among the few countries to have general anti-avoidance measures. In addition to many specific rules addressing tax avoidance, we have a robust income tax GAAR.

The GAAR is a last resort measure used to protect the integrity of our tax system. It ensures the failure of blatant, artificial or contrived arrangements to obtain tax benefits. It's assessed on the objective facts and circumstances of each case. It applies where a taxpayer enters into a scheme for the sole or dominant purpose of obtaining a tax benefit.

To determine the tax benefit, we look at the taxpayer's tax position under the scheme. We compare this to the tax position that would arise, or may reasonably be expected to, if they had not entered into the scheme.

In past years, some Full Federal Court of Australia cases revealed a weakness in the capacity of the GAAR to determine a tax advantage gained from an arrangement. In a series of cases, the courts found a taxpayer would have abandoned its commercial project altogether if it could not avoid the tax on it – so there was no tax benefit.

These cases showed a gap in the capacity of the GAAR to address arrangements that, objectively viewed, had been carried out with a relevant tax avoidance purpose. To strengthen the law, the government amended the GAAR in 2013.

We can now determine the tax benefit in one of 2 ways:

- The annihilation approach simply ignores the steps that comprise the scheme.
- The reconstruction approach provides the ability to reconstruct a transaction rather than erase it. It compares the tax consequences of the scheme with those of an alternative reasonably capable of achieving the same non-tax results and consequences as those achieved by the scheme.

Our advisory body is called the GAAR Panel. It's made up of senior ATO officers and external members. The panel advises us on applying the GAAR to particular arrangements. It brings consistency and independence to the consideration of the GAAR.

Multinational anti-avoidance law (MAAL)

The MAAL is an extension of Australia's general anti-avoidance rules. This law ensures multinational enterprises pay their fair share of tax on the profits earned in Australia.

The MAAL counters the erosion of the Australian tax base by multinationals using artificial and contrived arrangements to avoid the attribution of profits to a permanent establishment in Australia.

The law applies to certain benefits derived on or after 1 January 2016. It only applies to significant global entities.

When we administered the MAAL, we:

- issued guidance including tools to help clients self-assess their risk
- conducted tailored reviews of large multinationals.

By doing this, we encouraged voluntary compliance and self-correction. We also responded very strongly to any contrived attempts to avoid applying the MAAL.

We engaged with each identified taxpayer within the scope of the MAAL to assess their risks and provide assurance. As appropriate, we helped them transition into certain and compliant arrangements.

Through these engagements, we are confident that large corporate groups have compliant arrangements in place.

Diverted profits tax (DPT)

The DPT ensures the tax paid by multinational enterprises properly reflects the economic substance of their activities in Australia. It aims to prevent the diversion of profits offshore through contrived arrangements.

The DPT applies to income tax years starting on or after 1 July 2017. It imposes a 40% penalty rate of tax to be paid upfront. Like the MAAL, this applies to significant global entities.

The DPT applies where one of the principal purposes for entering into a scheme is to obtain an Australian tax benefit or both an Australian and foreign tax benefit. It is not a provision of last resort, but it complements the application of the existing anti-avoidance rules in Part IVA of the *Income Tax Assessment Act 1936*.

By applying a penalty tax rate, the DPT encourages large multinational enterprises to:

- increase compliance with their Australian tax obligations
- provide sufficient information to us so disputes can be resolved more efficiently.


Base erosion and profit shifting (BEPS) action plan

BEPS refers to tax planning strategies that exploit gaps and mismatches in global tax rules.

BEPS schemes are associated with:

- inflating expenses (tax deductions claimed) in higher tax jurisdictions
- artificially shifting profits to low or no tax jurisdictions.


BEPS schemes can result in relatively low or zero tax rates for some large corporate groups. Australia supported the OECD BEPS program during our presidency of the G20 in 2014.

The [OECD's Action Plan on Base Erosion and Profit Shifting \(PDF, 1.4MB\)](#)  was delivered on 5 October 2015. It contains 15 action items and sets out a clear framework for dealing with BEPS issues. The plan supports all jurisdictions to get the right amount of tax and will develop a stronger international tax system.

The integrity of Australia's tax system will increasingly rely on the implementation and enforcement of BEPS recommendations and actions. It's no longer feasible to deal with these issues in isolation. We're playing a key role in developing bilateral and multilateral cooperation among global tax administrations.

Australia has implemented several recommendations from the action plan. Key reforms include:

- better transparency from the [CBC reporting](#) and [exchange of rulings](#) initiatives
- treaty reforms implemented via a [Multilateral Instrument](#)
- [hybrid mismatch rules](#)

In May 2023, as part of the [2023–24 Budget](#) , the government announced it will implement key aspects of Pillar Two of the OECD/G20 Two-Pillar Solution to address the tax challenges arising from the digitalisation of the economy. Implementation of a **global minimum tax** and a **domestic minimum tax** is currently underway.

We continue to work with other jurisdictions to implement recommendations through our treaty framework. All of these will assist in mitigating challenges around applying the framework.

Country-by-country reporting (CBC)

Significant global entities (SGEs) may also be CBC reporting entities. Under the CBC regime, if an entity was a CBC reporting entity for the whole or part of an income year, it will be required to lodge a CBC report for the following income year unless granted an exemption or administrative relief.

CBC reporting requires multinational enterprises to disclose in their CBC report:

- their key financials, organised by jurisdiction – including their international related-party revenues, profits and taxes paid

- the details of each constituent entity or member of the group – including their main business activities.

Australia exchanges and receives CBC reports with tax authorities from participating jurisdictions under multilateral and bilateral exchange arrangement.

To further enhance our risk assessment processes, CBC reporting also requires the Australian members of these large multinational enterprises to lodge a master file and local file:

- The master file discloses information about their global value chain.
- The local file provides detailed information about their international related-party transactions.

Information collected under the CBC reporting regime assists us in:

- forming a global picture of how multinationals operate
- carrying out assessments of transfer pricing and other base erosion and profit shifting risks.

CBC reporting helps us to ensure the transparency and tax compliance of the largest multinational enterprises with operations in Australia, and ultimately supports the trust and confidence that the wider community can have in the tax system.

We publish **key statistics** on international related party dealings (IRPDs) from processed international dealings schedule and local file – part A lodgments for income years commencing from 2016–17.

Exchange of rulings

In October 2015, the OECD released the final report on Action Item 5 to counter jurisdictions engaging in harmful tax practices. It introduced improved transparency through the **spontaneous exchange of rulings between participating countries**.

Rulings covering certain topics are subject to exchange when they apply to a specific taxpayer, who is entitled to rely on it. This includes:

- private binding rulings
- advance pricing arrangements
- settlement deeds (for future years)

- rulings on international arrangements.

Exchange began on 1 April 2016 for future rulings and 31 December 2016 for past rulings. Rulings exchanged provide vital intelligence in understanding the global operations of multinationals.

Legislative changes to update transfer pricing guidelines

Australia's **transfer pricing** legislation was amended on 9 July 2024 to refer to the OECD's 2022 transfer pricing guidelines as the relevant guidance material. It has retrospective application from 1 July 2022.

This version of the OECD guidance material provides guidance on the application of the 'arm's length principle', which represents the international consensus on the valuation, for income tax purposes, of cross-border transactions between associated enterprises.

The legislative update forms part of Australia's ongoing commitment to strengthen our transfer pricing provisions in line with international standards. It will help ensure multinational enterprises are paying the right amount of tax in Australia.

For more information, see [why tax is not simply 30% of profit](#).

Multilateral Instrument

The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (Multilateral Instrument) allows jurisdictions to address multinational tax avoidance by quickly modifying the operation of their bilateral tax treaties.

Australia signed the **Multilateral Instrument** (MLI) on 7 June 2017 and it took effect on 1 January 2019. The date that the modifications, made by the MLI to Australia's tax treaties, take effect depends on the particular treaty partner's adoption of positions and its ratifying and lodging notification of its positions with the OECD.

The Multilateral Instrument implements several OECD BEPS Action Plan recommendations to Australia's tax treaties, including:

- denying treaty benefits under Australia's bilateral tax treaties where one of the principal purposes of the arrangement or transaction is to obtain those treaty benefits

- preventing the artificial avoidance of permanent establishment status
- improving the effectiveness of dispute resolution mechanisms with mandatory binding arbitration adopted through the Multilateral Instrument.

Hybrid mismatch rules

Hybrid mismatch rules were enacted into Australian law in August 2018. The rules prevent multinational companies from avoiding income tax or obtaining double tax benefits through arrangements that exploit differences in the tax treatment of an entity or instrument in the laws of 2 or more tax jurisdictions.

The **hybrid mismatch rules** apply to certain payments and income years starting on or after 1 January 2019.

The rules apply to payments between:

- related parties
- members of a controlled group
- parties under a structured arrangement.

We developed guidance to assist taxpayers who want to eliminate hybrid outcomes and avoid the application of the new rules.

QC 53276

Tax is not simply 30% of profit

The economic and policy reasons corporate groups don't always report a tax rate of 30% of accounting profits.

Last updated 1 November 2024



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Tax compliance large corporate groups

Determining tax compliance of large corporate groups is never simple. There are inherent risks due to business complexity and uncertainties around the law.

Community interest in the behaviour of large corporate groups, particularly in multinational enterprises, has remained high. These entities have been seen as trying to minimise their tax or avoid paying tax, including through shifting profits away from Australia.

The policy underpinning Australia's tax laws generally means that Australian companies only pay tax on their Australian profits (active and passive) and their foreign passive profits.

Discussions about corporate tax often focus on the tax rate of 30%, linking it to the company's announced accounting profit. However, we can't draw conclusions about tax behaviour solely on a reported tax rate. We talk about this in our [annual report of entity tax information](#).

Corporate groups may have lower taxable incomes than economic profits or pay no tax for a range of reasons.

For more information, see [Report of entity tax information](#).

Business losses

The tax law recognises companies can and do incur business losses. It allows these losses to be:

- carried forward and recouped for tax purposes against subsequent profits

- carried back and recouped against prior year profits in specific circumstances.

The same business, similar business and continuity of ownership tests provide integrity to the loss rules. Taxable income can be reduced by losses incurred in previous years, reducing the company's taxable income below its accounting profit.

The proportion of the company population that incur losses in any given year is significant and expected as part of the normal business cycle. For example, over the past 10 years, 20% to 30% of Australian Securities Exchange (ASX) 500 companies have reported a net operating loss in any given year, according to their financial reports.

Special tax rules for trusts

Trusts are widely used for investment and business purposes by large corporate groups. Trusts are treated as taxpayer entities for tax purposes. The trustee is responsible for managing the trust's tax affairs, including paying some tax liabilities.

When shares in some companies are sold together with units in an associated trust, they are said to be 'stapled' together. Income from the trust is returned by the unit holder in their return rather than by the company. This results in company taxable income returned being much less than total business profits but this is offset by the tax payable at the unit holder level.

Example: Property

Property Group is an Australian real estate investment trust (A-REIT) listed on the ASX. It operates through a stapled structure that consists of units in Property Trust stapled to the shares in Property Company.

Property Trust owns a large portfolio of commercial properties that are leased to unrelated third parties. Property Trust receives rent from those third parties. This is distributed to security holders on a periodic basis. Property Company undertakes activities such as the management and development of Property Trust's commercial properties.

The remuneration paid to Property Company is an arm's length amount that allows it to generate a sufficient return for the work it has performed for Property Trust. The pricing is supported by comprehensive documentation including references to appropriate comparable transactions.

Our review of Property Group confirmed the cross-staple dealings presented a low risk and appeared to be priced in a robust manner. These dealings are incidental to the leasing of commercial properties and rent received by Property Trust.

The profit of Property Company is taxed under normal rules at 30%. The profit of Property Trust is not taxed at the trust level but is taxed in the hands of unit holders.

Tax concessions

Some features of tax law are designed to stimulate investment and economic growth. These various exemptions and concessions may also explain, in part, why some corporate groups appear to pay tax at a rate less than 30% of their accounting profit (and less than 30% of their taxable income).

Tax concessions include:

- **research and development tax incentive** to promote innovation and the social and economic benefits innovation brings
- **capital allowances** to encourage business investment through shorter effective lives of assets for tax purposes than for accounting purposes, with particular policy concessions for:
 - certain exploration expenditure
 - capped effective lives for certain depreciating assets
 - economic stimulus measures to support eligible businesses.

By deferring tax to the later years of an asset's useful life, capital allowances give rise to earlier positive cash flows.

Australian companies expanding offshore

Australian corporate groups may benefit by investing offshore to access larger markets, new technologies and business processes. These benefits can flow through to the Australian economy and society more generally.

Active business profits Australian companies or their subsidiaries earn offshore are generally not taxed in Australia, either when they are earned or later as dividends. This allows Australian corporate groups to compete on a level playing field offshore. It also encourages Australian companies to earn foreign income and bring it back to Australia.

Australia doesn't tax capital gains on sales of offshore active businesses.

Offshore companies investing in Australia

Overlaying our Australian tax rules is a network of tax treaties to assist in:

- reducing tax barriers for international trade and investment
- fostering cooperation with other international tax authorities
- ensuring fair taxation.

If a taxpayer thinks they have been subject to double taxation, our treaties provide a mutual agreement procedure to resolve the dispute between the respective jurisdictions.

For more information, see the [Mutual agreement procedure](#).

Investing in Australian companies

Under the imputation system, a share of corporate tax paid is imputed to shareholders. The shareholder reports both the dividend they receive and an imputed amount of corporate tax. The imputation or franking credit offsets the shareholder's tax liabilities.

An Australian company that has a stake in another Australian company will not pay tax on a dividend twice. If the other company pays a fully franked dividend, it will not be taxable again in the hands of the shareholding company. This is even though it may be included in the accounting profits of the shareholding company.

QC 53282

Essentials for strengthening your small business

Essentials to strengthen your small business is a new online learning tool to improve your business knowledge.

Published 20 May 2024

Essentials to strengthen your small business is a flexible and free online learning resource for small businesses, educators and tax professionals to share and use with their staff, students and clients.

The range of courses are designed to help build financial and business literacy among small businesses so they are able to thrive and meet their tax and super obligations.

To find out more, [take a tour of the site](#) .

Webinar recordings

For webinar recordings on a range of topics, visit our [atoTV webinar channel](#) .

Small business masterclasses

Register for a masterclass to learn more about goods and services tax (GST).

Personal services income masterclass

Register for a Personal services income (PSI) masterclass to learn more about correctly reporting your business income.

Record keeping masterclass

Register for a masterclass about record keeping.

QC 102070


Small business masterclasses

Register for a masterclass to learn more about goods and services tax (GST).

Published 4 September 2024

Masterclass overview

Do you want to understand more about your GST reporting obligations and how to report GST correctly?

Our masterclass gives you the opportunity to delve deeper into the [GST online course](#)  and ask questions relevant to your business, such as:

- registering for GST
- invoicing
- record-keeping
- reporting GST to the ATO.

Upcoming masterclasses

[Register now](#)  for one of the GST masterclasses running in October:

- Wednesday 2 October, 2:00 pm – 3:00 pm
- Thursday 3 October, 10:00 am – 11:00 am
- Tuesday 8 October, 6:00 pm – 7:00 pm
- Thursday 10 October, 5:00 pm – 6:00 pm
- Monday 14 October, 10:00 am – 11:00 am.

QC 102985

Personal services income masterclass

Register for a Personal services income (PSI) masterclass to learn more about correctly reporting your business income.

Published 7 January 2025

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[PSI masterclass overview](#)

[Upcoming masterclass](#)


PSI masterclass overview

Do you want to understand more about your PSI obligations and how to report PSI correctly?

PSI is income produced mainly from your skills or efforts as an individual. When the PSI rules apply to your income, they affect how you report that PSI and the deductions you can claim. Find out if you are receiving PSI and if the PSI rules apply to you.

Our masterclass gives you the opportunity to dive deeper into the [Personal services income](#)  online course and ask questions relevant to your business.

Upcoming masterclass

[Register now](#)  for the PSI masterclass on Tuesday 18 March, 12 pm to 1 pm.

QC 103669

Record keeping masterclass

Register for a masterclass about record keeping.

Published 7 January 2025


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Record keeping masterclass overview

Did you know that successful businesses keep good records and use technology to run their business? Good record keeping helps you know the state of your business at any time which helps you manage your business successfully.

Our masterclass gives you the opportunity to dive deeper into the [Record keeping](#)  online course and ask questions relevant to your business.

Upcoming masterclass

[Register now](#)  for the record keeping masterclass on Thursday 20 March, 12 pm to 1 pm.

QC 103670

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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