



## Netflix tax before Parliament

At the moment, internet supplies of movies, music, apps, games, eBooks, other digital products and services such as consultancy and professional services made by a foreign supplier are generally exempt from GST.

In line with previous Government Budget announcements, legislation has been introduced to Parliament to apply GST to these digital supplies when they are made to an Australian consumer.

Under the new law, the supplier or the digital platform, will have a limited and simplified GST registration and will remit GST on a quarterly basis but not be able to claim any input tax credits.

The new law will apply from July 2017, provided the legislation is enacted which is likely.

This is a huge growth area in the economy and the Government wants to make sure it gets its share of Australian consumers' expenditure on digital movies etc. It also argues that it puts Australian suppliers on an equal footing.

The Government expects to collect \$150m in the 2018 tax year and \$200m in the 2019 tax year.

*Schedule 1, Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016*

Andrew and Tony Lovett

15 February 2016

Disclaimer: We believe this information to be correct at the time of publication. It is general in nature, for guidance only and is not intended to be personal advice. It should not be relied upon without obtaining professional advice regarding your direct circumstances. No responsibility can be accepted by any publisher, author, editor, contributor or consultant for loss occasioned directly or indirectly to any person acting or refraining from acting wholly or partly upon or resulting from the material in this publication nor for any error in, broken link or omission from the publication.

© Copyright Andrew Lovett - All rights reserved. No part of this publication may be republished in any form or by any means, electronic, photocopying, recording or otherwise, without written permission.