

## Overview of 1998-99 9

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## Overview of 1998–99

In 1998–99, revenue collected by the ATO continued to grow strongly. Taxes collected through the different forms of collection systems (for example, pay-as-you-earn, prescribed payments system, sales tax) and collected from different entities (namely, individuals, companies, funds, partnerships and trusts) continued their upward trend.

This publication contains statistics based on the tax returns lodged for individuals, companies, funds, partnerships and trusts for the 1998–99 income year. It also contains statistics for fringe benefits tax, excise, sales tax, pay-as-you-earn, the prescribed payments system and other withholding tax collections during the 1999–2000 income year.

### Number of income taxpayers

In 1998–99, there were approximately 11.5 million taxpayers who lodged returns. Individuals accounted for 85% of total taxpayers, while companies and partnerships accounted for 5% and 4% respectively.

The Individuals Non Business (INB) line had 7.9 million clients, the small business (SB) line had 3.5 million clients, and the large business and international (LB&I) line had slightly more than 30 000 clients.

The total number of taxpayers increased from 11.2 million in 1994–95 to 11.5 million in 1998–99.

Over the five years, the greatest rate of increase occurred for funds (69%). There was also a 26%

increase in the number of trusts and a 19% increase in the number of companies. At the same time, there was a 12% decrease in the number of partnerships.

Table 2.2: Number of taxpayers

Type of taxpayer <sup>1</sup>	1994–95	1998–99	Growth
	no.	no.	%
Individuals	9 619 010	9 755 392	1.4
Companies	494 967	589 624	19.1
Funds	104 114	175 672	68.7
Partnerships	573 741	504 160	-12.1
Trusts	363 198	455 841	25.5
<b>Total</b>	<b>11 155 030</b>	<b>11 480 689</b>	<b>2.9</b>

1. Includes residents and non-residents.

### Industry

In 1998–99, of those taxpayers whose industry was stated, 56% were salary and wage earners. A further 20% were in the property industry, 6% were in the finance, insurance, real estate and business services industry, and 5% were in the primary production industry.

The industry profile of individual taxpayers showed a similar trend. Two thirds of individual taxpayers were salary and wage earners, and a further 22% were in the property industry.

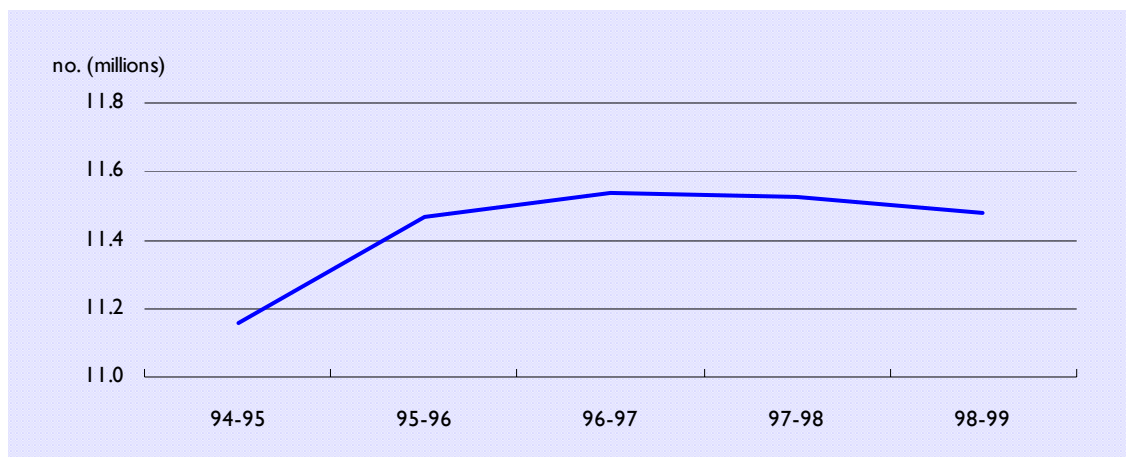
The main industry groups were quite different among companies, partnerships and trusts. About half of all companies were in the finance, insurance, real estate and business services industry. A further 9% were in the construction industry, while 8% were in the retail trade industry.

Among partnerships, 28% were in the primary production industry, 16% were in the construction industry and 13% were in the retail trade industry.

Table 2.1: Type of taxpayer by business line, 1998–99

Type of taxpayer <sup>1</sup>	INB	SB	LB&I	Total
	no.	no.	no.	no.
Individuals	7 773 623	1 980 791	978	9 755 392
Companies	n.a.	561 004	28 620	589 624
Funds	n.a.	175 106	566	175 672
Partnerships	42 873	461 145	142	504 160
Trusts	121 900	333 289	652	455 841
<b>Total</b>	<b>7 938 396</b>	<b>3 511 335</b>	<b>30 958</b>	<b>11 480 689</b>

1. Includes residents and non-residents.

**Figure 2.1: Number of taxpayers**

Among trusts, 39% were in the property industry, 29% were in the finance, insurance, real estate and business services industry, while 6% were in the retail trade industry.

In 1998–99, the industry groups were coded using the Australian and New Zealand Standard Industrial Classification (ANZSIC) system. Prior to 1995–96, the Australian Standard Industrial Classification system was used. Therefore, it is

not possible to do any long time series analyses for industry because the industry groups are not comparable.

## Income and net tax

In 1998–99, companies accounted for only 5% of total taxpayers. However, this entity group accounted for 77% of total income, 32% of

**Table 2.3: Taxpayers<sup>1</sup> by entity and industry**

Industry	Individuals no.	Companies no.	Partnerships no.	Trusts no.	Total no.
Salary & wage earners <sup>2</sup>	5 485 553	0	0	0	5 485 553
Property	1 786 233	0	38 717	153 111	1 978 061
Finance, insurance, real estate & business services	154 630	288 896	51 868	115 383	610 777
Primary production	297 143	15 698	134 603	23 812	471 256
Construction	192 546	53 968	77 396	20 354	344 264
Retail trade	69 413	47 596	64 990	25 572	207 571
Manufacturing	59 721	42 749	27 802	12 644	142 916
Transport & storage	45 752	22 590	24 385	7 613	100 340
Personal & other services	58 695	14 807	18 301	6 653	98 456
Health & community services	46 789	21 773	5 717	7 485	81 764
Cultural & recreational services <sup>3</sup>	45 172	10 746	7 844	3 012	66 774
Wholesale trade	14 688	30 128	12 141	8 651	65 608
Accommodation, cafes & restaurants	9 538	11 689	15 055	7 878	44 160
Communication	15 200	3 109	3 947	1 008	23 264
Education	15 785	2 476	1 917	724	20 902
Mining	3 648	3 533	931	611	8 723
Electricity, gas & water supply	557	687	342	168	1 754
<b>Total industry stated</b>	<b>8 301 063</b>	<b>570 445</b>	<b>485 956</b>	<b>394 679</b>	<b>9 752 143</b>
Industry not stated <sup>4</sup>	1 454 329	19 179	18 204	61 162	1 552 874
<b>Total</b>	<b>9 755 392</b>	<b>589 624</b>	<b>504 160</b>	<b>455 841</b>	<b>11 305 017</b>

1. Excludes funds.

2. Under the Australian and New Zealand Standard Industrial Classification (ANZSIC) system, there is no code for 'salary and wage earners', an ATO code was therefore assigned for this 'industry' category.

3. Includes sports.

4. Includes entities that have only registered a subsidiary return income from partnerships and trusts or registered as salary and wage earners. May also include entities registered under the government and defence industry code.

## Taxation Statistics 1998–99

taxable income and 23% of net tax. Individuals accounted for 85% of total taxpayers, but accounted for 20% of total income, 61% of taxable income and 73% of net tax.

In the same period, around 7.5 million individual taxpayers received tax refunds. These totalled approximately \$10 billion, an average of \$1329 each. Total individual tax refunds in 1998–99 increased from the preceding year's figure, partly because of higher income tax collections in 1997–98.

In 1998–99, approximately 1.6 million individual taxpayers had a tax debt. These debts totalled just \$4.3 billion.

**Table 2.4: Taxpayers' income by entity**

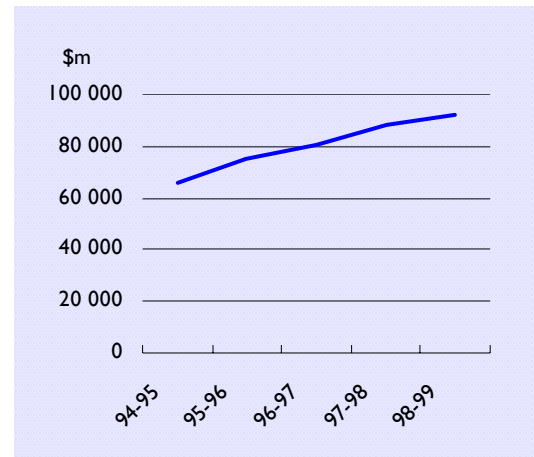
Entity	Total income	Taxable income	Net tax
	\$m	\$m	\$m
Individuals <sup>1</sup>	301 520	286 914	67 562
Companies	1 189 823	151 501	21 431
Funds	48 499	28 610	3 155
Partnerships <sup>2</sup>	14 942	n.a.	n.a.
Trusts <sup>2</sup>	32 730	n.a.	n.a.
<b>Total<sup>3</sup></b>	<b>1 539 842</b>	<b>467 025</b>	<b>92 148</b>

1. For individuals, total income includes net business income (or loss), distributions from partnerships or trusts, and non-business income such as interest, dividends and salary and wages.

2. Profits from partnerships and trusts are distributed to beneficiaries who pay tax on the income.

3. Total income does not include partnerships and trusts total income because their income is distributed to the other entities as taxable income.

**Figure 2.2: Net tax<sup>1</sup>**



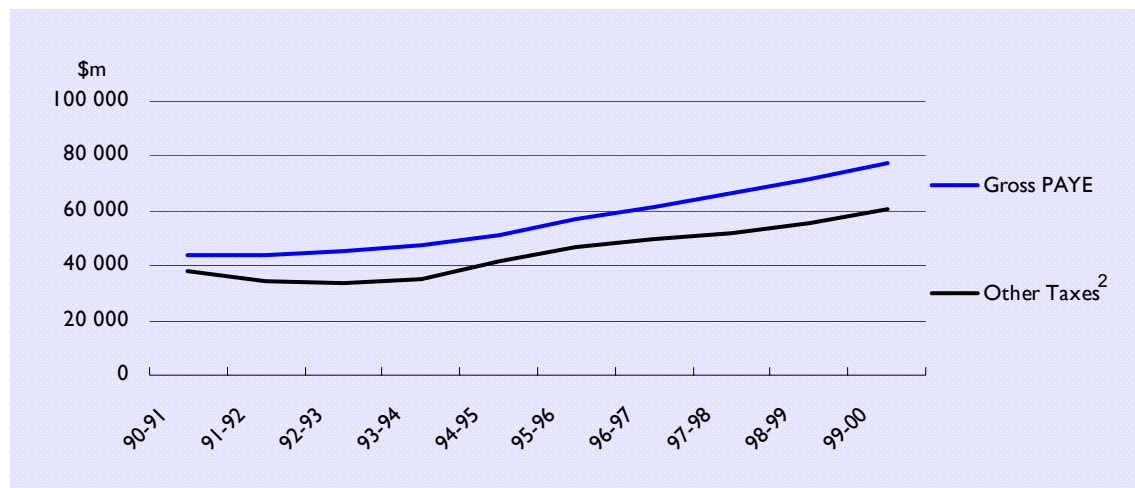
1. Refers to net tax payable in each income year by individuals, companies and funds. It excludes data for financial year collections, such as sales tax and fringe benefits tax.

## Revenue collection

The main source of revenue was pay-as-you-earn (PAYE) tax, accounting for \$77.2 billion in the 1999–2000 financial year. These collections increased by 8% from the preceding financial year due to growth in employment and salary and wages. PAYE has been the main source of revenue over the past decade.

Company tax collection in 1999–2000 increased by 17% to \$24.3 billion. Company collections were significantly higher than forecast influenced by stronger than expected growth in company profits and a lower than expected take-up rate (by early December balancing companies) of

**Figure 2.3: PAYE revenue<sup>1</sup>**

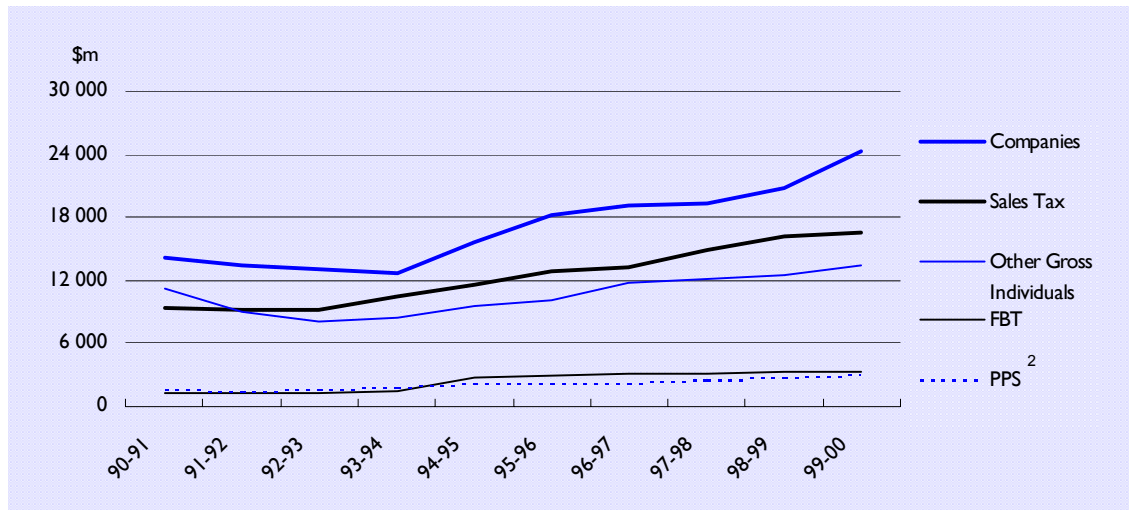


1. Refers to revenue collected in each financial year.

2. Includes actual collections of sales tax, company tax, fringe benefits tax, prescribed payments and reportable payments.



**Figure 2.4: Other sources of revenue<sup>1</sup>**



1. Excludes PAYE.

2. Includes reportable payments from 1994-95 onwards.

deferred instalments under the Pay As You Go transitional arrangements.

Prescribed payments system collections in 1999-2000 increased by 12% to \$3.1 billion. Strong growth in collections largely reflected the increase in residential construction activity leading up to the introduction of the goods and services tax.

