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Submission from the Synod of Victoria and Tasmania, Uniting Church in Australia on removing tax deductibility of certain payments

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The Synod of Victoria and Tasmania, Uniting Church in Australia welcomes this opportunity to provide input to the consultation on removing tax deductibility of certain payments as an action to address the shadow economy. The Synod supports the denial of deductions in relation to a payment:

- Of salary, wages, commissions, bonuses or allowances to an employee;
- Of directors' fees;
- To a religious practitioner;
- Under a labour hire arrangement; or
- For a supply of services – excluding supplies of goods and supplies of real property – where the payee has not quoted an ABN

if the PAYG withholding regime applies to the payment, and the payer did not withhold the amount from the payment as required or did not notify the Commissioner when required under section 16-150 (or section 389-5).

The Synod has experience of employees being exploited and illegally cheated of their legally entitled wages through cash in hand payments made by unethical employers operating in the shadow economy. Curbing the shadow economy not only addresses issues of tax evasion and loss of government revenue, but also helps stop such exploitation.

The Synod therefore supports the exposure draft *Treasury Laws Amendment (Black Economy Taskforce Measures No.2) Bill 2018* and encourages the government to introduce to the Parliament at the earliest possible opportunity.

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