

ATO Small Business Benchmarks - Does your business compare?

The ATO small business benchmarks can help you compare your business performance against others in your industry. They also provide guidance on what businesses in an industry are reporting to the ATO.

These benchmarks show key business ratios for more than 100 industries reporting within high, medium and low turnover ranges. By comparing your business to the benchmarks for your industry you can assess your business performance.

The ATO use benchmarks to identify businesses that may be avoiding their tax obligations by not reporting some or all of their income or if they are keeping proper records of their business income and expenses.

By developing benchmarks for small businesses the ATO are making it clear what they expect from businesses in an industry. In doing so they are making it fairer for everyone by making it harder for dishonest taxpayers to get away with not reporting cash transactions.

Businesses reporting outside the benchmark may attract ATO attention.

The ATO believes there may be good reasons for this difference, but it may also be an indication that the business is not recording and paying tax on all transactions, especially cash transactions.

To find out more about these reports or if you wish to know how your business is placed with the ATO tax benchmarks, contact us on 9525 8788.