

Offshore tax evader

Back of the envelope tax calculator - PROJECT DO IT

How much annual income evaded? **\$169,000,000** (ATO Annual Report FY16 reports \$676m in omitted income, divide over 4 years)

Under Project Do It

	Income	Tax	Penalties	Interest AT SIC RATE	Total
Four years ago	\$169,000,000	\$53,235,000	\$5,323,500	\$12,619,723	
Three years ago	\$169,000,000	\$53,235,000	\$5,323,500	\$9,230,284	
Two years ago	\$169,000,000	\$53,235,000	\$5,323,500	\$6,002,246	
One year ago	\$169,000,000	\$53,235,000	\$5,323,500	\$2,927,925	\$265,014,178 (matches liabilities raised per ATO FY16 report)

IF HAD SELF-AMENDED FOR 4 YEARS (would have raised tax plus interest AT GIC at approximately 9%)

	Income	Tax	Penalties	Interest AT GIC RATE	Total
Four years ago	\$169,000,000	\$53,235,000		\$21,910,547	
Three years ago	\$169,000,000	\$53,235,000		\$15,705,869	
Two years ago	\$169,000,000	\$53,235,000		\$10,013,504	
One year ago	\$169,000,000	\$53,235,000		\$4,791,150	\$265,361,069

TEN YEARS

Without Project Do It - assume average of 10 years of evasion

	Income	Tax	Penalties	Interest	Total
Ten years ago	\$169,000,000	\$53,235,000	\$39,926,250	\$97,901,009	
Nine years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$88,800,701	
Eight years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$75,714,679	
Seven years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$63,585,454	
Six years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$52,339,917	
Five years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$41,910,710	
Four years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$32,235,775	
Three years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$23,257,919	
Two years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$14,924,432	
One year ago	\$169,000,000	\$53,235,000	\$47,911,500	\$7,186,725	\$1,501,337,071

Tax collection given up by Project Do It **\$1,236,322,893**

Percentage tax collection given up by Project Do It **79%**

Assumptions:

1. Based on ATO disclosure in FY16 report, average tax rate was 31.5% (i.e. across trusts and corporations and individuals), calculated to match quantum of liabilities raised
2. Under Project Do It, 4 years of amended assessments only, 10% penalties, SIC interest applies on both amended assessments and 10% penalties
3. Under alternative scenario, assume evasion has been going on 10 years, 75% penalties in year 1 then 90% in year 2 onwards, SIC on amended tax, GIC on penalties.
4. As there will be an evasion finding under alternative scenario, penalties will apply for intentional disregard of the tax law, and year 2 onwards attracts an uplift for repeating

TWENTY YEARS

Without Project Do It - assume average of 20 years of evasion

	Income	Tax	Penalties	Interest	Total
Twenty years ago	\$169,000,000	\$53,235,000	\$39,926,250	\$311,125,785	
Nineteen years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$293,639,811	
Eighteen years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$265,274,143	
Seventeen years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$239,049,100	
Sixteen years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$214,797,529	
Fifteen years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$192,365,621	
Fourteen years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$171,611,831	
Thirteen years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$152,405,887	
Twelve years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$134,627,880	
Eleven years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$118,167,424	
Ten years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$102,922,890	
Nine years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$88,800,701	
Eight years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$75,714,679	
Seven years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$63,585,454	
Six years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$52,339,917	
Five years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$41,910,710	
Four years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$32,235,775	
Three years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$23,257,919	
Two years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$14,924,432	
One year ago	\$169,000,000	\$53,235,000	\$47,911,500	\$7,186,725	\$4,610,888,964

Tax collection given up by Project Do It **\$4,345,874,786**

Percentage tax collection given up by Project Do It **94%**

FIFTEEN YEARS

Without Project Do It - assume average of 15 years of evasion

	Income	Tax	Penalties	Interest	Total
Fifteen years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$192,365,621	
Fourteen years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$171,611,831	
Thirteen years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$152,405,887	
Twelve years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$134,627,880	
Eleven years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$118,167,424	
Ten years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$102,922,890	
Nine years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$88,800,701	
Eight years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$75,714,679	
Seven years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$63,585,454	
Six years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$52,339,917	
Five years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$41,910,710	
Four years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$32,235,775	
Three years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$23,257,919	
Two years ago	\$169,000,000	\$53,235,000	\$47,911,500	\$14,924,432	
One year ago	\$169,000,000	\$53,235,000	\$47,911,500	\$7,186,725	\$2,789,255,345

Tax collection given up by Project Do It **\$2,524,241,168**

Percentage tax collection given up by Project Do It **90%**

USA IRA MODEL (8 years, 20% penalties, 27.5% asset penalty)(USA IRS FAQ Q8 - <https://www.irs.gov/individuals/international-taxpayers/offshore-voluntary-disclosure-program-frequently-asked-questions-and-answers-2012-revised>)

Without Project Do It - assume average of 15 years of evasion

	Income	Tax	Penalties	Interest	27.5% penalty on \$6.5b assets	Total
Eight years ago	\$169,000,000	\$53,235,000	\$10,647,000			
Seven years ago	\$169,000,000	\$53,235,000	\$10,647,000			
Six years ago	\$169,000,000	\$53,235,000	\$10,647,000			
Five years ago	\$169,000,000	\$53,235,000	\$10,647,000			
Four years ago	\$169,000,000	\$53,235,000	\$10,647,000			
Three years ago	\$169,000,000	\$53,235,000	\$10,647,000			
Two years ago	\$169,000,000	\$53,235,000	\$10,647,000			
One year ago	\$169,000,000	\$53,235,000	\$10,647,000		\$1,787,500,000	\$2,298,556,000
Tax collection given up by Project Do It						\$2,033,541,822
Percentage tax collection given up by Project Do It						87%