

# X-Tax Guide

# ATO Data Matching



## What is ATO Data Matching?

The ATO data matching technology is designed to catch wrong doers. Are you in the clear?

1. The ATO collects information about taxpayers. Such as:

- Wages and tax deducted from your employers
- Interest come from your bank and other financial institutions (now including banks overseas)
- Dividends paid by companies
- Payments made to you as a sub-contractor
- Income from sites such as e-bay
- Income from ride share such as Uber
- Income from accommodation sites such as Airbnb
- health insurance funds
- BAS Statements
- Superannuation accounts
- Sale and purchases of real estate
- Sale and purchases of shares.
- Sale and purchases of Crypto-currency
- Sale and purchases of motor vehicles

2. The ATO compares all of this data against the information provided in your tax return. If you have undeclared income, the ATO will find out easily.

The purpose of the ATO data matching is to identify taxpayers who aren't doing the right thing. If anyone deliberately tries to hide undeclared income, the ATO's data matching aims to find them and the ATO applies back-payment of taxes plus fines and even back-payment of interest charges in some cases.

When it comes to secondary jobs, such as renting a room through Airbnb or driving your car as an Uber driver, you need to ensure you declare your income – all of it – to avoid penalties and fines. The ATO data matching technology is being used specifically to catch out these two industries.

Likewise, tradies and sole traders who receive any undeclared income “off the books” are now at serious risk of being caught out. The ATO can, and will, check your bank accounts, cross reference payments against an ABN and confirm missing income from your tax return.

### **If you're in the wrong, you can fix it.**

The ATO offers “voluntary disclosures” if you've done the wrong thing and you want to own up to it. Your tax accountant can offer advice on amending your tax return to reflect your actual income. Although, it's better to just do it the right way to begin with. ATO data matching technology is here to stay, which will become another reason that Australians choose to get a tax agents like XO Accounting to assist them lodging their returns correctly.



XO Accounting  
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