

Committee Secretary
Senate Standing Committee on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary,

This letter is to clarify information provided at the ATO's appearance before the Economics Legislation Committee on Wednesday, 23 October 2019. Refer to information provided on page 70 of the Hansard.

I would like to offer a clarification in relation to the following statements:

Senator GALLACHER: I notice that on each tax return, or on each notice people get back, you recommend that people keep their records for seven years, obviously. Is there a legislative basis for that?

Mr Hirschhorn: Yes. There are legislative record-keeping requirements in the tax act.

Senator GALLACHER: Seven years.

Mr Hirschhorn: Seven years.

In response to Senator Gallacher's question relating to the legislative record-keeping requirements for tax returns I would like to clarify my response.

Although some tax records must be kept for longer periods, the general period of mandated retention for tax purposes is 5 years not 7 years. However, many other record retention regimes, for example the Corporations Law, are based on a 7 year retention period. For this reason, it is often recommended that, as a practical business matter, a 7 year minimum retention period be adopted.

Yours sincerely


Jeremy Hirschhorn Second Commissioner, Client Engagement Australian Taxation Office