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MEDIA RELEASE

House of Representatives Standing Committee on Tax and Revenue
Inquiry into taxpayer engagement with the tax system

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Doing the right thing: paying our share

The House Standing Committee on Tax and Revenue has commenced an inquiry into taxpayer engagement, specifically considering the experiences of individuals and small businesses in interacting with the taxation and superannuation system.

The Chair of the Committee, Mr Kevin Hogan MP, said the committee is particularly interested in examining the cash or black economy and the ongoing digitisation of Australia's taxation system.

"There has been a lot of commentary recently about how to deal with undeclared cash income. This is just one aspect of the inquiry—albeit an important one—as it says just as much about the community's acceptance of the 'hidden economy', as it does about those who do not declare cash income." He also noted that, "It is, however, important not to dampen innovation and micro-business start-ups, or to create a new unintended black economy in the pursuit of closing the cash economy tax gap."

"We will be very interested to consider the different experiences of both digital natives (who have recently started to, or will soon be paying income tax) and at the other extreme, the older generation of new digital adopters," Mr Hogan said.

The inquiry will investigate how taxpayers view and operate with each other, with tax agents and other intermediaries—and ultimately with the Australian Taxation Office. A number of overseas taxation agencies have used behavioural economics to inform the development of their tax systems; in particular, developing the social norm that paying your share of tax is expected behaviour.

"We would like to hear about what taxpayers believe are their—and other taxpayers'—obligations and why they think this way. Furthermore, we'll be exploring why individuals and small businesses behave in certain ways, not only about lodgement and meeting tax payments but also about declaring taxable income," Mr Hogan said.

Written submissions addressing one or more aspects of the terms of reference are requested to be lodged by Thursday, 9 February 2017.

For background:

Further details about the inquiry, including the full terms of reference, an explanatory paper and information on how to contribute, can be obtained from the Committee's website at www.aph.gov.au/taxrev or by contacting the Committee secretariat on 02 6277 4821 or emailing TaxRev.reps@aph.gov.au [Track this inquiry](#)

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