

Senate Economics Reference Committee
ANSWERS TO QUESTIONS ON NOTICE
Australian Taxation Office
Inquiry into Augmented Tax Assessments
9 February 2011

Topic: **Cost to provide the additional information in the assessment process**

Hansard Page: **E8**

Question:

CHAIR—The question was about costs. Is that \$10 million an ongoing annual cost or does it include a setting-up cost as well?

Mr Monaghan—It is \$10 million over four years, with the bulk in the first year.

CHAIR—So the bulk is upfront. Do you have a break-up of that \$10 million over those four years?

Mr Monaghan—I would have to take that on notice.

CHAIR—If you could take that on notice, it would be appreciated

Answer:

An indicative assessment of the ATO's estimated costs in relation to processing and accounts, client contact and the costs for system updates under the proposed amendment to Tax Laws Amendment (2010 Measures No. 4) Bill 2010, are as follows:

	2010-11	2011 -12	2012-13	2013-14
Costs \$m	0.3	5.6	2.0	2.0

However, the above breakdown does not take into account:

- any need to update receipts and reissue with later information
- the cost of legal challenges to debt recovery action (leaving aside the timing and definitional issues), or
- the impact on public debt on having to delay the issue of returns to either September or the end of the financial year, which would be significant.

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Topic: **Number of Australians who receive individual taxpayer assessments each year and what proportion of them incur a positive net tax liability**

Hansard Page: **E8**

Question:

CHAIR—If you could take that on notice, it would be appreciated. I have a couple of final questions which are simple ones. How many Australians receive individual taxpayer assessments each year, roughly?

Mr Monaghan—Roughly 10 million, but I will confirm that.

CHAIR—What proportion of those incur a positive net tax liability?

Mr Monaghan—I will double-check, but I think it is about 25 per cent

CHAIR—If you could take that on notice as well, that would be appreciated.

Mr Monaghan—We will confirm that, but it is in that order

Answer:

Of the 12.3 million 2008-09 individual returns processed between 1 July 2009 and 31 October 2010, 84 per cent were entitled to a refund.