

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

Dear Sir / Ms

Tax and Superannuation Laws Amendment (2014 Measures No. 6) Bill 2014

The only comment that we wish to make regarding the above Bill is that the interaction between subsections 615-30(3) and 615-30(4) is not clear. That is, per subsection 615-30(3):

(3) A choice under subsection (1) or (2) must be made:

- (a) within 2 months after the completion time, if the choice is under subsection (1); or*
- (b) within 28 days after the completion time, if the choice is under subsection (2); or*
- (c) within such further time as the Commissioner allows.*

The choice cannot be revoked.

On its face therefore, subsection 615-30(3) requires that an interposed company takes 'positive action' to make a choice within the required deadlines - for example, prepare a document to evidence that a choice was made.

Subsection 615-30(4) however, then states that the:

*... way the interposed company prepares its *income tax returns is sufficient evidence of the making of the choice.*

What is the intended interaction between these subsections?

In particular, does subsection 615-30(4) mean that the way a company prepares its tax return is evidence that the choice was made within the required deadlines?

In the interests of reducing 'red tape' for taxpayers it would be preferable that:

- a company was not required to prepare a separate document to evidence that a choice was made; and
- the way the company prepares its tax return is evidence that the choice was made within the required deadlines.

We believe therefore, that the words "within the times specified in subsection (3)" should be added to subsection 615-30(4) so that it reads:

*The way the interposed company prepares its *income tax returns is sufficient evidence of the making of the choice within the times specified in subsection (3).*

Regards,

Chris Birchall

Client Director - Tax Technical

Pitcher Partners

Level 19, 15 William Street, Melbourne VIC 3000 | www.pitcher.com.au

Finalist - Best Accountancy Firm (revenue between \$50 million and \$500 million), 2014 BRW Client Choice Awards

Winner - Best Medium Accounting Firm 2013, Thomson Reuters Tax and Accounting Excellence Awards

Finalist - Best Indirect Tax Team 2013, Thomson Reuters Tax and Accounting Excellence Awards