

I would like to contribute my submission to the joint committee particularly as it relates to Part A of the inquiry into taxation matters. My comments and observations follow:

Part A

* the impact of the interaction between self-assessment and complex legislation and rulings;

After working in Japan for approximately 18 months I returned to Australia and sought professional advice from an accounting firm regarding my investments and tax situation. It was only after considerable deliberation and assurance about the acceptance of my individual investment by tax authorities... that I proceeded with my investment in this company. After doing this homework as I do with all investments, the ATO and its' considerable resources decided to apply a change in legislation. I assure the inquiry that I made all appropriate and reasonable investigations that I could about compliance of the company and the investment vehicle before proceeding.

* the application of common standards of practice by the ATO across Australia;

I am concerned about the issue of inequitable treatment by the ATO of tax payers in similar circumstances. I know from talking to others that there have been varying offers of settlement depending on whether or not appeal action is being taken by the tax payer. This inequitable treatment does nothing to inspire confidence in the ATO's treatment of these matters.

* the level and application of penalties, and the application and rate of the General Interest Charge and Shortfall Interest Charge;

The various rates of penalty and interest being charged by the ATO again encourage criticism and concern about revenue raising and/or victimisation. It is obvious that penalties and interest have been charged against tax payers who have had rulings in their favour prior to the ATO changing its position.

In summary, my investment in one company for one year only after seeking appropriate professional accounting and legal advice is now the subject of continued aggravation and harrassment by the ATO due to a change in its position. In forty years as a tax payer, this is the only ATO issue with which I have been confronted. However, never before have I and my family felt financially threatened by an injustice that should have been avoided.

Yours sincerely,

Ken O'BRIEN