



## New inquiry on taxation

Federal Parliament's Public Accounts and Audit Committee is to conduct a inquiry reviewing a range of taxation issues within Australia.

"It is a number of years since the Public Accounts Committee last undertook a comprehensive review of taxation administration," Chairman Bob Baldwin said.

"This inquiry will be split into two parts, running concurrently. Part A of the inquiry will be looking at the administration by the Australian Taxation Office (ATO) of the *Income Tax Assessment Act 1936* and *1997*, with particular reference to compliance and the rulings regime. Part A of the inquiry will include:

- the impact of the interaction between self-assessment and complex legislation and rulings;
- the application of common standards of practice by the ATO across Australia;
- the level and application of penalties, and the application and rate of the General Interest Charge and Shortfall Interest Charge; and
- the operation and administration of the Pay As You Go (PAYG) system.

"Part B of the inquiry will look at the application of the Fringe Benefits Tax (FBT), including any 'double taxation' consequences arising from the intersection of fringe benefits tax and family tax benefits," Mr Baldwin said.

Interested parties may make a submission on Part A or Part B of the inquiry, or both. The Committee will be accepting submissions and running public hearings for both parts of the inquiry concurrently.

The Committee would like to emphasise that it will not be reviewing individual case studies or grievances with the Australian Taxation Office.

The Terms of Reference for the inquiry are attached. The Committee invites public submissions addressing the terms of reference of the inquiry. The closing date for submissions is **Friday, 24 February 2006**. The preferred format is for submission documents to be emailed to [jcpa@aph.gov.au](mailto:jcpa@aph.gov.au). Further information on making a submission is available on the Committee's website.

The Committee will consider all submissions and may then invite individuals and organisations to discuss issues directly with Members.

**For media comment:** please contact **Mr Bob Baldwin MP** on telephone **(02) 6277 4200**  
**For more information:** please contact the inquiry secretary on telephone (02) 6277 4615 or visit the Committee's website at [www.aph.gov.au/house/committee/jpaa/](http://www.aph.gov.au/house/committee/jpaa/)

## **Terms of reference: inquiry into taxation matters**

### **Part A**

The Joint Committee of Public Accounts and Audit resolves to inquire into and report on the administration by the Australian Taxation Office (ATO) of the *Income Tax Assessment Act 1936* and *1997* (including the amendments contained in the *Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 2) 2005*) with particular reference to compliance and the rulings regime, and shall include the following:

- the impact of the interaction between self-assessment and complex legislation and rulings;
- the application of common standards of practice by the ATO across Australia;
- the level and application of penalties, and the application and rate of the General Interest Charge and Shortfall Interest Charge; and
- the operation and administration of the Pay As You Go (PAYG) system.

### **Part B**

The Committee shall examine the application of the fringe benefit tax regime, including any “double taxation” consequences arising from the intersection of fringe benefits tax and family tax benefits.