

20th February 2006.

The Chairperson
Joint Committee of Public Accounts and Audit
Parliament House,
CANBERRA
ACT 2600

Dear Chairperson,

I am sending this letter with the purpose of voicing my concerns regarding the self assessment tax system, the complicated tax legislation and the arbitrary rulings that are inflicted on unsuspecting tax payers, like myself, by the ATO.

The tax laws in Australia are complicated and not remotely understandable by the average person, therefore you have to get advice from professionals whose job it is to provide guidance through the minefield that is taxation law and obviously you have to pay for this advice.

So I bought some advice from a professional person and paid into a plan that was acceptable to the ATO. However, in the FOLLOWING TAX YEAR the ATO decided that what I was paying into was no longer allowable as a tax deduction and **THEN SAID THAT THEIR DECISION WAS RETROSPECTIVE!!!!!!**

As far as I'm concerned their decision to make this retrospective is a bloody disgrace.

The ATO also seems to have different ways of treating similar taxpayers in similar disputes. SOME TAXPAYERS APPEAR TO BE OFFERED BETTER TERMS OF SETTLEMENT DEPENDING ON WHETHER THEY ARE TAKING APPEAL ACTION AT THE ADMINISTRATIVE APPEALS TRIBUNAL. Settlement offers from the ATO, differ for taxpayers in similar circumstances. This is at best discriminatory and at worst vindictive – you do as we say or we will punish you.

2.

I must also mention that there are presently three rates of penalty, 0%, 5% and 10% being applied to EBA taxpayers. There are also three rates of interest: full GIC, currently 12.63%, then 6.28% and 4.72%. The ATO seems to be able to create rates that suit it from time to time, either to maximize revenue or appease extensive criticism.

It would be worth noting that penalties and interest are in legislation to punish wrongdoing. This is not the case with EBAs where the ATO authored over 60 rulings in favour of the arrangement before changing its position.

There is also the issue of "double taxation" resulting from the intersection of Fringe Benefits Tax and Family Tax Benefits. The Commissioner has been using this to intimidate me into settling on his terms. Now I ask you is this really the kind of behaviour we want from supposedly grown up people. These are school yard bully boy tactics that must have no place in the "Public Service" of the Australian Government.

I would like to mention that my situation with the ATO has been going on for years and the G.I.Cs and penalties they have hit me with would buy a really good new car – not that I've ever owned a new car.

I run a small business and one of my employees left a while ago, but I have n't replaced him yet as I have no idea when this fight with the ATO will end. I'm working 7 days a week now and saving the wages I was paying that worker to pay the money the ATO says I owe them and so far I am keeping ahead of them.

So my ONLY hope now is that some of our ELECTED REPRESENTATIVES in this great democracy we call Australia can get the bully boys out of the school yard and regular every day taxpayers like myself can get on with their lives in peace

Good luck.

Yours sincerely,

A handwritten signature in cursive script that reads "Richard Burnell". The signature is written in black ink and is positioned below the typed name.

Richard Burnell