

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Budget Estimates 2 June 2005)

Outcome 2

Topic: EBAs interest and penalty remission

Hansard page: E112

Senator asked:

Do you have any idea of the approximate number where there has been remission of interest and penalty?

Ms Martin—I do not have that break-up at the moment. My understanding is that probably more of them are around the remission of interest. But I do not have the break-up.

Senator SHERRY—But there were certainly some where both have occurred?

Ms Martin—That is what I have here, yes.

Senator SHERRY—You might just take that on notice for me, if you could.

Answer:

On 18 November 2004 the Commissioner announced improvements to the administration of the general interest charge. In particular he announced that interest accruing to 18 January 2005 would be capped at 70 per cent of the primary tax owed, and that a process would be set up whereby participants in employee benefit arrangements could make application, based on their individual circumstances, for remission of interest and further remission of penalties.

Since that announcement:

- 965 taxpayers have had the amount of their general interest charge capped at 70 per cent of the primary tax owed;
- 919 applications, which included details of individual circumstances, have been received. Of these, 693 applications have been reviewed and as at 30 June 2005:
 - 464 taxpayers have received a remission of interest,
 - 2 taxpayers have received a remission of interest and penalty, and
 - 2 taxpayers have received a remission of penalty.