

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

**Budget Estimates**

1 June 2010

**Question: BET 404**

**Topic: Tax Amnesty on Undisclosed Overseas Income (ATO)**

**Hansard Page: Written**

**Senator EGGLESTON asked:**

1. How much tax has been received from people under the tax amnesty on undisclosed overseas income? How many more people are expected to come forward? What is the amount of tax penalties that would be applied to those people that have not come forward by the end of the amnesty?

**Answer:**

The Offshore Voluntary Disclosure Initiative (OVDI), which sought to encourage taxpayers to disclose offshore income by offering a number of concessions, closed on 30 June 2010. Since the announcement of the new OVDI offer on 30 November 2009, disclosures identified as high risk are submitted for review by an external panel who then make a final recommendation to the ATO as to their level of risk. As at 30 June 2010, the ATO has raised assessments on 4,190 taxpayers for \$73.6 million in liabilities.

In addition, there were 1,375 disclosures received from taxpayers in the weeks leading up to the closure of the initiative. These are not included in the 4,190 finalised disclosures. The final tax liabilities that will flow from these unfinalised disclosures will not be known for some months as further information is being sought, often from offshore institutions.

Although the special OVDI arrangements have ceased, taxpayers are still able to make a voluntary disclosure to the ATO. Under the guidelines for voluntary disclosures they may be eligible to receive a discount of up to 80 percent on the penalties. However, where taxpayers are detected by the ATO, penalties can be as high as 90 percent of the omitted income. The more serious cases may be referred for investigation to determine whether there is any potential breach of the criminal law.