

# Senate Standing Committee on Economics

## ANSWERS TO QUESTIONS ON NOTICE

### Treasury Portfolio

#### Supplementary Budget Estimates

20 October 2011

**Question No:** SBT 13

**Topic:** Excess Contributions Tax – objection statistics

**Hansard Page:** 133

**Senator CORMANN:** Okay. You have given me the percentages. What I would like to know is how many people get an assessment? How many people, in numbers, make a complaint or ask for the commissioner's discretion? How many people, in numbers rather than percentages, get a successful outcome?

#### Answer

Over the period 10 May 2006 (the commencement of excess contributions tax) to 26 June 2011:

- 56,914 assessments have issued
- 2,771 applications for the Commissioner's discretion to disregard or reallocate contributions have been finalised
- 1,582 objections/requests for review have been finalised
- 283 complaints have been received.

Table 1 below provides a breakdown of assessments, by year of assessment.

**Table 1: Excess contributions tax assessments from 10 May 2006 to 26 June 2011**

| Transitional | 2007-08 | 2008-09 | 2009-10 * | Total  |
|--------------|---------|---------|-----------|--------|
| 1,815        | 20,572  | 17,447  | 17,080    | 56,914 |

\* Part year results

Table 2 below provides a breakdown of the outcomes of applications for the Commissioner's discretion to disregard or reallocate contributions, by year of assessment.

**Table 2: Commissioner's discretion decisions from 10 May 2006 to 26 June 2011**

| Year           | Allowed    | Disallowed   | Otherwise finalised** |              |
|----------------|------------|--------------|-----------------------|--------------|
| Transitional * | 84         | 314          |                       |              |
| 2007-08        | 206        | 864          |                       |              |
| 2008-09        | 61         | 337          |                       |              |
| 2009-10        | 25         | 103          |                       |              |
| <b>Total</b>   | <b>376</b> | <b>1,618</b> | <b>777</b>            | <b>2,771</b> |

\* Transitional non-concessional contributions cap - between 10 May 2006 and 30 June 2007. Individuals could contribute up to \$1 million of non-concessional contributions.

\*\* Otherwise finalised cases (total 777) are predominantly withdrawn, subject to re-reporting affecting liability, or invalid.

Due to system reporting limitations, it is only possible to provide a detailed breakdown of outcomes of objections against excess contributions tax decisions over the period 1 July 2011 to 31 October 2011. Table 3 below provides that breakdown.

**Table 3: Objection outcomes # from 1 July 2011 to 31 October 2011**

| Allowed in full | Allowed in part | Disallowed | Total |
|-----------------|-----------------|------------|-------|
| 32              | 9               | 153        | 194   |

# These are the outcomes of excess contributions tax objections on all aspects of the tax over the relevant period. It is not possible to distinguish or report Commissioner's discretion objection decisions separately from other excess contribution tax objections.

The ratio of objections allowed to disallowed is consistent with earlier, manually collated, point in time data.

Complaints received by the ATO typically concern ATO administrative processes. Table 4 below gives a breakdown of categories of complaints.

**Table 4: Complaints**

| Type of Complaint  | Number of complaints |
|--|----------------------|
| <b>Processing</b><br>Amendments to assessments not actioned in a timely manner or not actioned correctly.  | 82                   |
| <b>General guidance and information</b><br>Taxpayer did not receive or did not understand correspondence and notices sent by the ATO.  | 55                   |
| <b>Interpretative Assistance</b><br>Objection not actioned in time or the outcome was not understood by the taxpayer. Also included 1 complaint about the outcome of an objection and 1 complaint about the outcome of a ruling. | 53                   |
| <b>Phone and Electronic Access</b><br>Waiting times to make telephone enquiries are too long.  | 53                   |
| <b>Refunds and interest</b><br>Dissatisfaction with ATO decisions concerning hardship, payment of credit interest and offsetting of refunds against other debts.   | 18                   |
| <b>Debt and Payments</b><br>Disagreements with amounts due, issues with due dates for payment, offsetting of income tax refunds against excess contributions tax debts, incorrect advice and late issue of release authority.    | 10                   |

|  |            |
|--|------------|
| <b>Audit Activities</b><br>Dissatisfied with the outcome or process of an audit.                                 | 4          |
| <b>Lodgments</b><br>Taxpayers did not understand member contribution statement or release authority obligations. | 4          |
| <b>Penalties</b><br>Disagree with imposition of general interest charge.   | 2          |
| <b>People and Privacy</b><br>Concerns about privacy.   | 2          |
| <b>Total</b>   | <b>283</b> |