

**ROSA administrative measures update**

**(Information provided by the Australian Taxation Office)**

**Completed administrative measures**

2.4	<p>All aspects of a public ruling that are capable of binding the Tax Office (including for example, worked examples) should be collected together and clearly labelled as binding.</p> <p>In public rulings, alternative views need not be addressed if these are likely to confuse the reader. Where competing views are raised in consultation and not addressed in the ruling, the Tax Office should provide feedback directly to people contributing those views.</p>
2.5	<p>The Tax Office should take all steps necessary to ensure that an appropriate instruction or product replaces any public ruling as soon as practicable after it is withdrawn.</p>
2.10	<p>The Tax Office should update and consolidate its guidance on the way it interprets and administers Part IVA of the Income Tax Assessment Act 1936 into a single comprehensive Ruling or Practice Statement.</p>
2.12	<p>In PBRs where Part IVA could apply having regard to the facts provided in the PBR application, the Tax Office should indicate whether Part IVA has been considered. This indication may be by way of substantive comment on Part IVA's application, or by disclaimer. Where Part IVA has been substantively addressed and there has been a full and true disclosure of all material facts, the Tax Office should be prevented from reopening an assessment.</p> <p>Taxpayers can advise in their PBR application that Part IVA need not be considered</p>
2.14	<p>The Tax Office should enhance its published performance reporting on PBRs to distinguish response times to individuals and very small business from those for larger businesses, and separately report agent and non-agent case statistics. (Initial publication of performance reporting expected in <i>Commissioner of Taxation Annual Report 2006-07.</i>)</p>
2.16	<p>The Tax Office should refrain from ruling on issues not directly raised in PBR applications without the taxpayer's agreement. In cases where other aspects of the tax law could impact on the accuracy of the Tax Office's response, the response should contain appropriate caveats or statements that the advice is issued subject to certain assumptions or limitations.</p>
2.18	<p>The Tax Office should continue to modify its PBR application forms and processes to reduce the need for taxpayers to conform to complex procedures, or for the Tax Office to seek additional information from</p>

	<p>risk enquiries.</p> <p><u>Status:</u> High level design has been finalised and models developed to build tax practitioner self sufficiency through website improvements and portal enhancements, and provide access to experts such as specialist tax practitioner client contact staff. Co-design processes with internal and external stakeholders underway.</p> <p><u>Expected finalisation:</u> Progressively</p>
3.10	<p>The Tax Office should extend its practice of entering into pre-assessment agreements to a wider range of transactions or circumstances, wherever it is cost effective to do so.</p> <p><u>Status:</u> A draft proposal to use the expanded rulings regime delivered under ROSA and forward compliance arrangements (commitments between a taxpayer and the Tax Office to make a joint effort to focus on complying with current tax requirements and anticipate future tax needs) to provide increased certainty for taxpayers was circulated for external comment. The final approach (after considering these comments) is planned to be put to the National Tax Liaison Group (NTLG) in June 2007 for approval</p> <p><u>Expected finalisation:</u> Dependent on acceptance by NTLG.</p>
4.1	<p>The Tax Office should revise its rulings on reasonable care and reasonably arguable position, with a view to providing clearer guidance and further examples as to what conduct will, or will not, attract a penalty.</p> <p><u>Status:</u></p> <p>Guidelines have issued to provide clearer guidance and further examples on what conduct will attract or will not attract a shortfall penalty for a false or misleading statement.</p> <p>On 6 March 2006, the Tax Office released a Practice Statement (PS LA 2006/2) on the "Administration of shortfall penalty for false or misleading statement". The purpose of this practice statement is to explain:</p> <ul style="list-style-type: none"> <li>• how a statement may be false or misleading and result in a shortfall for the purposes of the uniform penalty provisions</li> <li>• how the Commissioner assesses the shortfall penalty, and</li> <li>• when the assessed penalty may be remitted.</li> </ul> <p>Amongst other things, the practice statement discusses:</p> <ul style="list-style-type: none"> <li>• the circumstances where a taxpayer has exercised reasonable care and will not attract a shortfall penalty</li> <li>• principles about behaviours that may attract a penalty (lack of reasonable care, recklessness and intentional disregard of the law),</li> </ul>

schemes being developed

Implications from cases need to be considered as part of this supplementary work.

Expected finalisation: Progressively