

LIST OF RECOMMENDATIONS

Recommendation

1.30 The Committee recommends that the Government provide the ATO with the necessary powers to enable it to apply to the courts for injunctive relief to prevent the marketing of and investment in tax abusive arrangements contrary to the law.

Recommendation

1.52 The Committee recommends that, to strengthen lines of communication with the tax industry and market, the ATO establish formal procedures for indicating its concerns about emerging compliance risks through peak bodies and other forums such as the National Tax Liaison Group.

Recommendation

1.59 The Committee recommends that the ATO include information about tax effective schemes in the *TaxPack* to improve general taxpayer awareness of the issues and potential risks surrounding tax effective schemes. This information should highlight the ATO's powers at law to review tax returns after deductions have been paid.

Recommendation

2.68 The Committee recommends that a review be conducted into the nature and extent of the public interest responsibility that tax professionals should adopt for the integrity of the tax system. The review should be conducted by an appropriately qualified person, who should consult with the Board of Taxation, the ATO, the tax profession and other relevant business and community bodies. The review should include consideration of the issues of tax planning and the mass marketed schemes episode.

Recommendation

3.36 The Committee recommends that the ATO, in consultation with the Taxation Institute of Australia, the Commonwealth Ombudsman and other relevant bodies, develop measures to educate taxpayers about their obligations and rights in the self-assessment environment. Particular attention should be given to ensuring that taxpayers are made aware of the period over which the ATO may review their returns and amend their assessments. Further to the recommendation at paragraph 1.59, information about the ATO's power to review and amend assessments, and the time periods that apply, should be clearly stated in the *TaxPack* and on notices of assessment sent to taxpayers.

Recommendation

3.48 For this reason, the Committee recommends that the test case Litigation Panel publish the criteria in the light of which it will recommend cases for funding and publish the reasons for its recommendations in particular cases.

Recommendation

3.51 The Committee recommends that the Government undertake an analysis of the adequacy of current mechanisms for obtaining judicial resolution of disputed or contentious tax law interpretation. This analysis should include consideration of whether and how the ATO might obtain a legal judgement without having to be taken to court by a taxpayer objecting to an ATO determination, and consideration of the merits of establishing a specialist federal tax court.

Recommendation

4.78 The Committee recommends that the government seek advice from both ASIC and the ACCC on the question of the adequacy of the current measures for monitoring the schemes market, with particular reference to agribusiness and franchise schemes. This advice should address matters such as the role of specific industry associations and the Australian Managed Investments Association in ensuring that compliance and disclosure obligations are met, the development and publication of further benchmarking measures which draw on industry wide standards and expertise, and any other measures required to ensure the adequate protection of investors in this sector.