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The Secretary
Senate Economics Legislation Committee
Suite SG.64
Parliament House
CANBERRA ACT 2600.

Statement for the Senate Inquiry into the Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 1) 2005 and the Shortfall Interest Charge (Imposition) Bill 2005."

Dear Sir,

I understand that the following decision has been taken:

"Wednesday, 11 May 2005 SENATE Page 59 Appendix 5
Proposal to refer a bill to a committee Name of bill(s):
Tax Laws Amendment (Improvements to Self Assessment) Bill
(No. 1) 2005 Shortfall Interest Charge (Imposition) Bill 2005
Reasons for referral/principal issues for consideration. This bill
has received a considerable amount of representations made
from constituents. Therefore investigation by a Senate
committee will be able to address these concerns.

I would like to state that I have been affected by the defects in the self-assessment system. In 1997 and 1998 in good faith I made investments subsequently labeled 'Tax Effective Investments' and as a result I had severe retrospective tax assessments and Gross Interest Charges imposed that caused unbelievable stress to me. I made an investment that I believed would generate income but the ATO saw otherwise. I representations at the time, as did many others, but to no avail.

While the revised and retrospective tax bill caused the greater personal and financial stress, the damaging Gross Interest Charges imposed added to the personal and family stress at being labeled a 'tax cheat'. I did what I could to reduce the punitive interest charges, i.e. I paid half the reassessment almost immediately, nevertheless interest charges hung over my head for several years causing great stress, particularly as I had retired in the intervening period and thus had fixed financial means.

I have a dream of more certainty from the Tax Office. I suggest that the protection in the legislation should cover the past as well as the future. As was I, many are even now 'locked in' to past investment made with the best taxation advice from advisors at the time. Subsequent and retrospective taxes and interest 'hurt like hell'.

3/26/17

Thus a key area of concern is the date of application of these new measures. I understand that in this bill the new law will only apply to amendments made to returns for the 2004/05 year and beyond. But in respect of 2003/04 and earlier years the ATO will still be able until at least 2009 to amend returns and impose GIC under the old law at 12 to 13%.

I am one of the people whose treatment [and representations] have caused Treasury to recommend the law be changed but I am excluded from the benefits of the new laws.

So what do I want? I suggest the new laws should be made retrospective at least as long as the ATO reassessment period, even back to the commencement of tax 'self assessment' in the mid 980's.

Yours faithfully,

A large black rectangular redaction box covering the signature and name of the sender.

Thursday, May 19, 2005