

The Secretary
Senate Economics Legislative Committee
Suite SG.64
Parliament House
Canberra ACT 2600

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

19th May, 2005

Dear Sir/Madam,

RE: Tax Laws Amendment (Improvements to Self-Assessment) Bill (No.1) 2005, and Shortfall Interest Charge (Imposition) Bill 2005

Dear Sir, Madam,

For the years 1998-1999 and 1999-2000 I, with my then husband [REDACTED] [REDACTED] ran a cleaning company. The name of our company was called [REDACTED] (which is now self deregistered). This company was the Trustee for the [REDACTED] and [REDACTED] Trust.

At the time we applied for a Government approved Superannuation plan to help us for our future. Our Superannuation Fund was approved. We put in our Tax Returns for those years which were accepted by the ATO, but on the 15/8/2003 the ATO amended our Tax returns for those two years, stating that we could not include this Superannuation plan as a tax deduction.

The ATO did an audit, and just changed our tax return with absolutely no warning at all.

The ATO not only disallowed the Superannuation deduction, but they then violated the minutes of the [REDACTED] and [REDACTED] Trust. The ATO didn't distribute the deduction according to the Trust minutes but instead contravened the Trust's minutes, and said how the deduction was to be divided. What the ATO did was allocated 1/2 to myself and 1/2 to [REDACTED] my then husband. We did not in fact receive this money, yet per the ATO are being made to pay tax on money we did not receive. This violates Trust Law which is totally illegal. The ATO have broken the law.

I have been given no rational acceptable reason for this reversal of the ATO's decision and how they are allowed to break the law.

Additionally this reversal of decision came years **after** they had not only accepted our taxation returns, but the ATO had authorized the Superannuation plans. Why authorize it making it legal one day and then decid to make it illegal the next day? If other companies did this we would have a legal nightmare in Australia.

The problem with reversing the decision years later is that the company stopped trading and there was no money to allocate to this new tax bill even if it were a legitimate tax bill. (Which it is not!)

I have also had excessive General Interst charges brought on me, and I supposedly so many thousands of dollars, that I am completely overwhelmed by it all.

I wish to make a strong protest on this matter. How can any business be expected to suddenly come up with many, many thousands of dollars at the drop of a hat for money that we don't owe. The fact that the business has been closed down for years, and all monies have been distributed years ago is also a strong factor.

Myself and my new husband have become extremely stressed, intimidated and upset over this matter.

But to go ahead on a fully approved government action, and then YEARS later to be told, that is now not legal, **and you are penalized 20% and then with again no notice the ATO suddenly changed that later to 40% of the principal and I have to now pay the penalty and 13% interest on the principal, is unbelievable.**

The Government has seen the error of their ways and is putting in policy that this is no longer able to be done by the ATO: That is once a legal assessment has been made, they have to stick to it. This is being enforced starting the 1st of July 2005. In actual fact they are admitting they have made a mistake, **but they have not corrected my situation which is the exact situation they changed. But ██████████ and my assessments have not been corrected back to their former state.**

I am one of the people whose treatment caused Treasury to recommend the law be changed but I am completely excluded from the benefits of those new laws.

Two major objections to the Australian Taxation Office have been submitted, both around 20 pages, and in reply the ATO stated that they will get back to us, but as of this date the ATO never have, and these objections were submitted years ago. I have filled out a "Grounds for serious hardship" application, but because I am objecting to this, it wasn't even taken into consideration, **BUT the ATO are still charging me extra interest during this period of objection.** I have also written to the EBA Interest and Penalty Remission Board last week and they have asked for more information. I have sent them the further information, and now I have heard nothing back. I am very upset at all of this.

This tax bill was not incurred through me not lodging my tax returns every year, or by following any illegal plan.

My husband of that time and I divorced and with all the debts incurred through paying off the expenses of the business, I have not had any money over. I even had to take out a personal loan to pay one of the cleaners his contract money back, which I am still having to pay back now.

The fact is I have a new baby (six and a half months old) and I am breast feeding, and have not the time to take up a job right now. My husband and I discussed putting the baby into child care, but breast feeding would have to stop and I think that is not in the best interests of the baby. Also, child care is very costly around here, being around \$67 per day.

I was shown information that I was taking out an approved Government Accredited Superannuation fund, and at the time it **was approved.** If I had known that the Government was going to disapprove of this at a later time I **never would have gone ahead with it in the first place.** In future I am going to be so incredibly careful and less susceptible to the same problems!

I need help and protection from the legislation for the past years, where I have been put under this immense pressure for the years that were already submitted. The new legislation needs to incorporate and cover the past mistakes that have been made by the

ATO, as that was the very reason for bringing new legislation out in the first place. The new legislation needs to be retroactive.

I am intimidated and completely overwhelmed by the whole thing. I am not listened to by the ATO. They give one ruling and then change it without care for the people in the equation. If they really knew me and my circumstances, they would not be putting me through this. I can't tell you how many sleepless nights I have endured because of this. It is crazy.

I know that I am only one person, but this situation is immensely pressuring me, and as I have not even the business still operating for which I had the assessment changed, and all my circumstances have changed, I do not have the wherewithal to even contemplate this humongous bill. I am a mother caring at home for my new daughter, with all the stresses of a one income family that is trying to pay for a mortgage and a new baby and simple things like putting food on the table.

Please help, by making this new legislation retroactive so that this huge nightmare is laid to rest.

Yours sincerely



(Also mailed)

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Canberra ACT 2600

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27th May, 2005

Dear Sir/Madam,

RE: Addition my previous submission

I'd like to raise one last issue that has been on my mind, and I wasn't sure whether to include this, but as the general area is being looked into, I thought that it would be pertinent.

I was wondering why the Fringe Benefit Tax hasn't been reversed when there has been at least three court decisions all ruling in favour of the appeal from the taxpayers saying that the Fringe Benefit Tax doesn't apply: Essenborne, Walstern and Spotlight, and there may be others.

Even though these decisions have been reached by the Courts, the Australian Taxation Office aren't abiding by them.

The FBT needs to be taken off and the GIC to stop accruing on it.

Could you also please look into that area too.

Yours sincerely,

[REDACTED]