

From : Mr.P & Mrs. A. Lohrey
37 Rennison Street,
Horsham. 3400
20 / 05 / 2005

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

Dear Sir/Madam,

Re: Inquiry into Tax Laws Amendment (Improvements to Self Assessment)
Bill (No.1) 2005 and the Shortfall Interest charge
(Imposition) Bill 2005

We have been affected by the defects in the self-assessment system. The Department of Treasury has clearly found that the present self-assessment system fails to protect taxpayers against unfair and inequitable treatment by the ATO, so much so that fairness demands it is fixed by legislation. Those failures have cost us, our family and our business enormous distress and pressure, as well as very heavy unexpected financial consequences.

We feel we are entitled to insist those changes must be made available to people who have been punished, harassed, intimidated and ignored by the ATO because of those failings.

* We are some of the people whose treatment caused Treasury to recommend the law be changed, but we are excluded from the benefits of the same new laws. As an oversight it's bad enough, but to leave us excluded goes against the intent of the changes.

* We had excessive GIC imposed upon us and have suffered loss and damage in terms of stress and financial difficulties.

* We deserve the protection of the legislation more for the past where we are locked in and when we were less knowledgeable.

* In the future we expect more certainty from the Tax Office and we will be less susceptible to the same problems.

* The key area we are concerned with is the date of application of these new measures. 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%.

The new law will only apply to 2004/05 or future year returns. The "current law" applies to our 2003/04 and earlier year returns. As you can see there are significant improvements in the new law. BUT!! If in the future, say in 2008 for example our 2003/04 and 2004/05 returns were to be amended the earlier return would be subject to the "current law" and the later return subject to the new law. Assuming it was in relation to the same investment, why would the different rates and terms for remission be logical OR appropriate?

* It is of great concern to us that the Government, having identified defects and claiming to fix them for the future, has failed to fix

them for the past, even though it has caused great damage. This leaves the inequity of leaving everyone exposed into the future in respect of past returns AFTER a Government inquiry identified the very problems and moved to fix them. There is still an opportunity to fix the problem properly.

We request the Committee to recommend that the legislation be amended to be effective from the commencement of self-assessment. (1995 or earlier)

Yours Sincerely,

Mr. Phillip Lohrey.
0408 504 633

Mrs. Audrey Lohrey