

49 Telford Dve
Berwick Vic 3806
Wednesday, 25 May 2005

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

Re: Inquiry into the Tax Laws Amendment (Improvements to self assessment) Bill (No.1)
2005 and the Shortfall Interest Charge (Imposition) Bill 2005.

Dear Secretary,

My name is Nicholas Barr. Thank you for the opportunity to prepare a submission for your committee. I am a small business person who has been affected by problems with the current self assessment system.

Back in the 1996 Financial Year I was advised to take part in an Employee Benefit Scheme, with the understanding that the ATO had approved similar arrangements. In May 2001, the ATO issued a default FBT assessment along with a rather large GIC bill. This assessment and subsequent others relating to the same Employee Benefit Scheme have caused untold stress on both myself and family. The GIC charged is absolutely horrific when multiplied over a period of years and backdated. If I sold every asset I owned I would not come close to being able to pay what the ATO is claiming to be owed by me.

I am one of the people whose treatment has caused Treasury to recommend the law be changed, but unfortunately, as it stands, I am excluded from the benefits of the new laws. I deserve the protection of the legislation more for the past, where I am locked in, and when I was less knowledgeable, than I am now.

The new laws go a long way to fixing some of the defects in the current system. However, for all taxpayers already caught in the web, we are still exposed to unfair and inequitable treatment at the hands of the ATO. The new laws must be amended to be effective from the commencement of self assessment.

I know several other people who have been issued huge penalties and interest from the ATO. The pressure on all of us is monumental. I have personally one person involved have a nervous breakdown and be placed on suicide watch because of the unbearable pressure of complete financial ruin.

Thank you for reading my submission. Please amend the legislation effective from the commencement of self assessment.

Yours sincerely,

Nicholas Barr
Regards,
Nicholas Barr
Mortgage Australia
Suite 3 28-32 Gloucester Ave
Berwick Vic 3806
www.mortgageaustralia.com.au
nickbarr@mortgageaustralia.com.au
ph 03 9707 4497 mob 0418 311 019 fax 03 9768 9166