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MR HANSELL
15/10

REVIEW OF UNLIMITED AMENDMENT PERIODS IN THE INCOME TAX LAWS – SUPERANNUATED COMMONWEALTH OFFICERS' ASSOCIATION (SCOA) RESPONSE

SCOA participated in the review of self assessment and was pleased with the outcomes.

SCOA was pleased that one of the actions proposed was to introduce more certainty into tax law in relation to the period available to the ATO to audit personal tax returns. By extension this would also introduce more certainty into how long a taxpayer has to maintain support documentation.

SCOA has been supportive of concerns raised by the Inspector-General of Taxation about the absence of certainty in the current tax system.

Most of SCOA's members are 60 and upward with simple tax returns. Some would have minor capital gains tax events.

They feel, as does SCOA, that with modern technology, the sophisticated matching undertaken by the ATO and the announced prepopulation of tax returns by the ATO that a maximum period of 2 years should be introduced. That would include returns with capital gains events.

For returns with no capital gains event, SCOA believes that an audit period should be unnecessary. If there is to be one SCOA believes it should not exceed 1 year.

Such action would put a lot of minds to rest, remove uncertainty and remove the need for support documents to be maintained for several years.

It would also be helpful if the Assessment Notice clearly indicated the period support documents needed to be maintained. #

The big frustration associated with the current arrangements is that if a taxpayer asks three ATO officers how long they should retain their support documents most will get three different answers. SCOA has tested the system on several

occasions and that has been the outcome. Even the TaxPacks fail to clarify the period.

SCOA supports the other changes proposed in the Discussion Paper.

SCOA

For your information SCOA is a federated, not-for-profit association with branches in each of the States and in the ACT. SCOA has a Federal Council and a Federal Office that is in Canberra. Besides current contributors and persons with preserved benefits, SCOA's constituency of some 650,000 includes 200,000 superannuants and their spouses. Many of these are low income earners.

for Peter Henley
Ewan Hazell
Federal President
11 October 2007