

INTRODUCTION

Scope of the Review

The Treasurer announced the Review of Aspects of Income Tax Self Assessment in November 2003. The Review is exploring ways to refine Australia's income tax self assessment system to provide taxpayers with greater certainty and lower compliance costs, without jeopardising the capacity of the Australian Taxation Office (the Tax Office) to collect taxes.

The Review is examining, among other things, six aspects of Australia's current income tax self assessment system:

- the level of reliance that taxpayers can and should be able to place on Tax Office advice
- the proper time frame for amending assessments
- the appropriateness of the length of tax audits
- the circumstances in which the Tax Office should undertake earlier examination of tax returns
- whether taxpayers are adequately protected from unreasonable delays in enforcing the tax law
- aspects of the operation of the General Interest Charge (GIC).

The Review has *not* been asked to consider fundamental tax policy changes, such as the extent to which tax returns, or categories of tax deduction, could be dispensed with. Nor is the Review looking at tax collection issues or assessment of other taxes.

Review process

This discussion paper, prepared by a team in Treasury, has been based largely on the various opinions and writings on self assessment since its introduction. A full list of references accessed by the Review team is contained in this report. The team has also received a number of phone calls, e-mails and background papers from interested parties, held initial discussions with taxpayers' representatives and professional bodies and sought out the views of other government agencies with an oversight role in the tax

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system (that is, the Inspector-General of Taxation, the Ombudsman, and the Australian National Audit Office).

The Tax Office has assisted the team by providing comprehensive data about the tax system, checking facts and providing a preliminary view on the ease of administering some of the changes discussed herein.

The Government welcomes submissions by 21 May 2004 on the ideas in the paper (or any other matters that may be relevant to the issue of improving self assessment processes). If you do not want your submission to be made publicly available please indicate that clearly. The Review team will convene consultations with groups representing taxpayers and tax practitioners during this formal consultation period.

At the end of each of Chapters 2 to 6, there is a list of questions which you may like to comment on. Submissions need not be constrained to answering these questions, nor should you feel obliged to address them all.

Submissions

Submissions may be sent by post to:

The Review of Self Assessment
The Treasury
Langton Crescent ACT 2600

Submissions may be e-mailed to:

selfassessment@treasury.gov.au

Closing date for submissions is Friday 21 May 2004.

Additional information and further contact details are available on the Review Website:

<http://selfassessment.treasury.gov.au>