

APPENDIX 2: SUMMARY OF KEY QUESTIONS

CHAPTER 2: RULINGS AND OTHER TAX OFFICE ADVICE

- 2.A Is Tax Office advice sufficiently accessible?
- 2.B Should Tax Office advice indicate whether Part IVA applies to a particular arrangement as a matter of course, or only on request?
- 2.C Do taxpayers and their advisers currently encounter delays in obtaining Tax Office advice? If so, what strategies might allow the Tax Office to provide advice on a more timely basis?
- 2.D Are there significant problems with the accuracy of Tax Office advice? If so, how should they be addressed?
- 2.E Is there evidence of pro-revenue bias in Tax Office advice? What measures would improve confidence in the objectivity of Tax Office advice? Would an independent evaluation assist?
- 2.F How should Tax Office advice be framed to assist taxpayers – by explaining contending views of the law, or by setting out how the Tax Office intends to apply it? Does this impact on the way that advice is expressed?
- 2.G How might the Tax Office clarify the circumstances in which general advice can be relied upon?
- 2.H Is there value in making more Tax Office advice legally binding? What additional safeguards would be required?
- 2.I Should taxpayers be penalised merely for not following PBRs when self assessing their income tax liabilities?
- 2.J If no penalty applied, would direct appeals against PBRs still be required?
- 2.K If appeals are retained, how could the process be improved?
- 2.L Should the Tax Office be permitted to charge for certain advice?
- 2.M How could the Tax Office use more cost effective channels for the delivery of binding advice to taxpayers or through practitioners?

CHAPTER 3: REVIEW AND AMENDMENT OF ASSESSMENTS

- 3.A Should the period for an amendment increasing the liability of an individual not in business, and/or a very small business be reduced to, say, two years?
- Should the eligibility of a very small business be based on whether it has chosen to be a Simplified Tax System taxpayer?
 - What exclusions from a two year period would be appropriate?
- 3.B Should the amendment period for medium and large businesses and other complex cases remain as four years?
- 3.C Should the amendment period for arrangements conferring unintended tax benefits (including arrangements covered by Part IVA) be reduced from six years to, say, four years? Should taxpayers be required to disclose certain tax planning arrangements more fully in returns?
- 3.D Is there benefit in the idea of the Tax Office providing early notice to those taxpayers that it has decided to audit?
- What would be a suitable notification period?
 - What exclusions from the notification regime would be appropriate?
 - Would this idea still be beneficial if taxpayers had to disclose more information?
- 3.E Should pre-assessment agreements be extended to a wider range of cases?
- 3.F Should a taxpayer who lodges a nil liability return be subject to the same time limits as apply in amending an assessment?
- 3.G What amendment periods should apply to cases that currently have an unlimited period?
- 3.H Should taxpayers have a remedy where the Tax Office delays unreasonably in issuing an amended assessment after it has all the relevant information?
- 3.I Should the period for an amendment reducing a taxpayer's liability be the same as for increasing liability, or be set at a fixed period?
- 3.J Would it be better to implement some of the possible changes raised in this Chapter (for example, early notification of compliance activity) by changing administrative procedures, rather than by changes to the law?

CHAPTER 4: PENALTIES

- 4.A What (if any) clarification of the terms 'reasonable care' and 'reasonably arguable position' is needed?
- 4.B What is the effect of the penalty for failing to follow a Tax Office private ruling? Do taxpayers only request PBRs when they are confident of a favourable ruling?
- 4.C If the penalty for failing to follow a Tax Office private ruling were to be removed, what other changes would be appropriate?
- 4.D What further guidance on grounds for remission of penalties is required?

CHAPTER 5: THE GENERAL INTEREST CHARGE

- 5.A Should the GIC be set at a level to provide a positive incentive to encourage taxpayers to take steps to ensure they assess correctly? Or should this be dealt with exclusively under the penalty regime?
- 5.B Is the rate of the GIC excessive against this principle?
- 5.C Are the approaches identified in this Chapter suitable to address identified concerns with the GIC? If so, by what mechanism should the approaches be implemented? Are there cases where full GIC should continue to apply to shortfalls?
- 5.D What priority should be given to simplicity in considering any changes to the current GIC regime? Should different market segments be treated differently for GIC purposes? Is it feasible to move away from a single, comprehensive system?
- 5.E Should remission of the GIC be initiated by the Tax Office in more circumstances? If so, what criteria should be used?
- 5.F Should the benefit from tax deductibility of the GIC be standardised, to eliminate the impact of varying tax rates? If so, how should this be achieved?

CHAPTER 6: OTHER ISSUES

- 6.A Should the Tax Office undertake earlier examination of any categories of return (or specific items)? If so, what taxpayers or specific items and why?
- 6.B What further steps would promote taxpayer awareness of their obligations under self assessment? Could, for example, notices of assessment be better labelled?
- 6.C In what circumstances is there a need for a Public Tax Advocate or greater use of alternative dispute resolution?
- 6.D What is the impact of the Tax Office reviewing tax agent systems? Could these reviews be improved, and if so, how?
- 6.E What particular information could the Tax Office collect more efficiently? What is the optimal balance between the Tax Office giving early warning of information requirements and the need to be able to respond to issues emerging from tax returns?
- 6.F What particular record keeping requirements are regarded as onerous?
- 6.G What specific income tax lodgement deadlines are difficult to meet? Are there other circumstances in which penalties should be remitted for late lodgement?
- 6.H What are the most important discretions as to liability that should be removed/re-written?
- 6.I Are there any general problems that are affecting the operation of elections under the self assessment system?