



ASSISTANT TREASURER

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**PRESS
RELEASE**

PROPOSALS TO GIVE BOTH INDIVIDUAL AND BUSINESS TAXPAYERS EASIER CHOICES IN THEIR TAX AFFAIRS

The Assistant Treasurer, Senator Nick Sherry, has today announced that the Rudd Government will review the income tax law in relation to individuals and businesses making 'elections' or choices in their tax affairs with a view to simplifying the tax law and cutting red-tape.

The Assistant Treasurer, at the Rudd Government's Better Regulation Business Forum in Canberra, released a wide-ranging consultation paper on *Elections in the Income Tax Law*. Elections, or choices, in the income tax law are decisions required of individuals and businesses in relation to their claims or obligations under the tax law.

"There are currently over 200 such elections spread throughout the income tax law," said the Assistant Treasurer.

"These elections have been identified as a potential source of complexity and inconsistency, so I want to have them thoroughly reviewed so we can remove any uncertainty or red tape, both for businesses and for individual taxpayers."

"They can lead to the need for extensive calculations and often lead to unnecessary tax advisory costs, all meaning higher compliance burdens – and this is just not good enough."

"If such elections are clearly framed and easy to follow, they can actually make tax affairs more streamlined, better targeted to particular circumstances and more manageable."

"It's for all of these reasons we're acting today."

"But I don't just want to review the existing election provisions, I also want to put in place a comprehensive set of new guidelines for framing any new elections that may be legislated in the future."

"This is closely tied to our commitment to a simple, clear, modern and flexible set of tax laws for Australia."

The Assistant Treasurer announced the examination at the Better Regulation Business Forum held today at Old Parliament House in Canberra which was convened by the Minister for Finance and Deregulation, the Hon Lindsay Tanner MP and attended by several senior Rudd Government Ministers, leading business associations and senior Commonwealth public servants.

Submissions are due by the 16 August 2010 and the consultation paper is available at www.treasury.gov.au.

CANBERRA

16 June 2010

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