



ASSISTANT TREASURER

<http://assistant.treasurer.gov.au>

**PRESS
RELEASE**

NEW LAW GIVES TAXPAYERS CERTAINTY IN FINALISING TAX AFFAIRS

The Assistant Treasurer, Senator Nick Sherry, has today welcomed the passage of legislation that will repeal over 100 provisions in the income tax laws that give the Tax Commissioner an unlimited period to make an amendment to a taxpayer's assessment.

"The repeal of these unlimited amendment periods will provide more certainty to taxpayers in finalising their tax affairs," the Assistant Treasurer said.

"These provisions allowed the Commissioner of Taxation to make an amendment to a taxpayer's assessment at any time in the future to penalise taxpayers for what may have been minor errors."

"This is clearly not acceptable where taxpayers are simply seeking to comply with the law and they are not seeking to evade tax," said the Assistant Treasurer.

"The repeal of these provisions will ensure taxpayers' tax affairs for a particular year become final at the conclusion of the standard amendment period of two to four years – a much more acceptable outcome."

This finite amendment period will apply unless there has been fraud or evasion.

"Providing a consistent, defined time frame achieves an appropriate balance between ensuring taxpayers pay the correct amount of tax and providing finality and certainty for taxpayers who have complied with their taxation responsibilities," said the Assistant Treasurer.

"The Rudd Government is committed to simplifying the tax law to reduce complexity and compliance costs for taxpayers."

"We recognise that this is an ongoing process and that is why yesterday I released a discussion paper on the *Review of Elections in the Income Tax Law*," said the Assistant Treasurer.

CANBERRA

17 June 2010

Media contact: Joe Scavo 0413 800 757