



**CORPORATE TAX  
ASSOCIATION**  
of Australia Incorporated

23 September 2011

Ms Brenda Berkeley  
The General Manager  
Indirect Tax Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Email: [GSTadministration@treasury.gov.au](mailto:GSTadministration@treasury.gov.au)

Dear Ms Berkeley

**Assessment of amounts under indirect tax laws – Tax Laws Amendment (2011 Measures No.8) Bill 2011**

The Corporate Tax Association (CTA) welcomes the opportunity to comment on the above exposure draft legislation as released on 22 August 2011 (**revised exposure draft**).

Our submission should be considered in conjunction with some earlier feedback provided to Jenny Lin on 8 July 2011 which outlined the practical implications for large corporates where there is no equivalent to sec 105-55 (stop the clock notices) under the new regime.

In addition to the points canvassed in our e-mail dated 8 July, we make the following comments:

**Extension of periods of review - asymmetry in treatment**

The asymmetry in the Commissioner being able to ask for taxpayer's 'consent' to extend the four year period of review, as compared to the taxpayer's position of being limited to four years to action amendments, is inequitable and in our view unwarranted, particularly in light of the current position which places taxpayers and the Commissioner on the same footing.

There are certain features of the GST regime that necessitate both the Commissioner and the taxpayer being able to request consent to extend a review period. One example is where the Commissioner amends an assessment close to the end of the four year period in a situation where a taxable supply had been treated as an input taxed supply. In such a case, the taxpayer would have unclaimed input tax credits, probably relating to prior periods. In relation to those prior periods, under the proposed law, the taxpayer will be out of time to claim those input tax credits.

Every effort should be made by government to ensure that business do not unnecessarily bear the economic burden of the GST. This is a clear situation where an identified asymmetry in the law will lend itself to that outcome. As such, it should be addressed, regardless of whether it fits neatly into the existing self-assessment regime.

### **Extension of period of review – the meaning of ‘particular’**

In light of the comments and the example provided above, Treasury should also consider allowing a refreshed period of review for the same ‘particular’. In other words, a refreshed amendment period should also allow taxpayers to amend an assessment other than the original assessment, provided the amendment relates to the particular that resulted in the original amended assessment.

### **Notice of amendment aligning with adjustments to the RBA**

Although we understand the reasoning behind this approach, RBA data is notoriously difficult to reconcile and does not represent an adequate form of notice of an amendment having been made. In practice, a taxpayer would need to maintain a daily watch on its RBA to ascertain when the amendment has been made.

It is particularly inadequate mechanism for notifying amendments where, in the case of large corporates, many monthly BAS’ are involved and reconciling changes in each BAS for each month is required.

To put it simply, the concept of adjustments to RBAs and in theory 48 BAS’ being adjusted doesn’t endear itself to an efficient process. Treasury and the ATO need to consider an alternative way in which to notify taxpayers of an amendment, for example, via an email linking the adjustments back to the original BAS’.

### **Correcting GST Mistakes**

We assume a public determination addressing this measure will be issued once the bill has passed, which will replace the current correcting mistakes fact sheet. The effectiveness of this measure will be wholly dependent on the public determination being workable, which will require some significant upward movement in the current time and monetary thresholds, which have not been revisited since the inception of the current determination.

Feel free to contact me on (03) 9600 4411 should you wish to discuss any aspect of this submission further.

Yours sincerely,



(Michelle de Niese)

Assistant Director  
Corporate Tax Association