

14 July 2017

Manager
Individuals Tax Unit
Individuals and Indirect Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Sir

Treasury Laws Amendment (Housing 4 Tax Integrity) Bill 2017: Limiting 5 deductions for plant and equipment in 6 residential premises and travel 7 expenditure for residential rental 8 property

The proposed exposure draft is silent on the ability to engage associates to charge a commercial fee for the business of property management and inspection.

The inference is that a person will be able to create a legal entity (like a company) to undertake property management activities on behalf of the taxpayers property investments. This entity will then claim a tax deduction for work related travel expenses.

This will create an incentive for owners of residential real estate to create legal entities (who are associated with the taxpayer) to undertake travel to inspect residential properties. Such an activity is against the purpose of the legislation and give further incentive to the public to engage in the creation of entities for tax reduction.

The law could be amended to include “You **or your associate** cannot...” This should effectively eliminate the opportunity to undertake such activities.

Yours faithfully,



Ross Forrester
Director