

## IT'S TIME FOR THE FEDERAL GOVERNMENT TO GET SERIOUS ABOUT TAXATION

Senior partner Richard Bobb (of *Richard A Bobb Chartered Accountants*) said today that the Australian Federal Government will start losing significant political capital if it didn't begin to seriously consider unwinding the complexity of tax laws in this country.

With a restless Liberal Party bank bench and calls for a revamp of tax rates and regulations from both the *Business Council of Australia* and smaller community groups, ahead of next month's Federal Budget, the Government simply can't continue to ignore the groundswell for tax transformation.

Mr Bobb has been a relentless advocate for tax simplicity saying today there can be no excuse to allow tax practitioners to continue to gain at the expense of the business, and the wider community, from a systematic displacement of hitherto simple rules which have been replaced by a plethora of tax *hocus-pocus*.

Using the example of the former provisional tax regime Mr Bobb slated the so-called "new tax system" of preparing and lodging instalment activity statements for employees with modest income from non-salary and wage sources. In one case, Mr Bobb noted that correspondence recently sent from the *Australian Taxation Office* ("ATO") directly to an employee taxpayer had frightened "the living daylight" out of a sensible and otherwise astute taxpayer. The ATO had claimed she had failed to lodge an "activity statement". The taxpayer, in question, said she wasn't in business, so how she receive an "activity statement". An ensuing explanation of some 15 minutes, capped with a historical anecdote of how taxpayers were suppose to be better off but, in fact, weren't only highlighted the Government's deception over a key promise to simply tax collections.

A waste of time (and the instilling of fear) over a simplistic and inane description of an activity statement thought to a request to lodge a business activity statement only compounded the problem.

Ms Katherine Chow, a *Richard A Bobb* partner, also noted that the system of integrated tax accounts maintained by the ATO had confused not only a significant number of her business clients, but had also befuddled tax officers called upon to explain the apparent merry go round of tax collections into and out of such accounts.

*Richard A Bobb* says it's time for the Federal Government to get serious about taxation.