

Private rulings and valuations

Working out or confirming the value of a thing for tax purposes.

We administer the tax laws and provide advice and guidance on how they apply. If you need help understanding and meeting your tax obligations, private rulings are one form of advice we can give you.

➤ For more information about private rulings visit our website and search for 'How to apply for a private ruling'.

HOW DO YOU GET A PRIVATE RULING ON THE VALUE OF SOMETHING?

Under the law, you can apply for a private ruling about the value of a thing, such as an item of plant. When you do this, you have two choices:

- ask us to provide a valuation of the thing, or
- provide us with a valuation of the thing and ask us to confirm it.

We use a professional valuer to undertake the valuation or review work. The valuer charges us a fee, which the law allows us to pass onto you. Consequently, when you apply for a private ruling requiring a valuation, you must pay for the work of the valuer.

If you provide us with a valuation that meets the requirements set out in *Market valuation for tax purposes* (NAT 72508), it will generally cost less to confirm it than to undertake a new valuation.

If we decide that the valuation you provide is not acceptable, we will tell you in a private ruling. We will not provide an alternative valuation. If you still want a private ruling on an acceptable valuation, you will need to:

- submit a new valuation for review, or
- ask us to provide you with a valuation.

You will need to pay any further costs the professional valuer we engage charges us.

Whenever we use a professional valuer, we will give you an estimate of how much they will charge. You will need to pay the amount before we proceed.

You can withdraw your application for a private ruling if you do not want to proceed with, or pay the cost of, the valuation or review. To withdraw your application, contact us and quote your case reference number. We will confirm the withdrawal

in writing. If you withdraw your application after the valuation work has started, you will need to pay for the work already done by the valuer.

WHAT IF YOU'RE NOT SATISFIED WITH OUR CHOICE OF VALUER?

If you have any questions or concerns about the valuer we choose, for example, if you believe the valuer has a conflict of interest, contact your case officer.

WHAT HAPPENS WHEN YOU APPLY FOR A PRIVATE RULING ABOUT THE VALUE OF A THING?

When we receive your application for a private ruling, asking us to work out or confirm the value of a thing, the following occurs:

- 1 If we need to use a professional valuer, before we start the valuation process we:
 - tell you, and
 - ask if you agree to use a professional valuer.
- 2 We ask the professional valuer to provide a quote for the work – either to value the item, or to review the valuation you have supplied.

The valuer estimates the:

 - cost of their work
 - time it will take to provide a report.

The valuer may need to do the work in stages, (for example, if it is complex). In these situations, they will provide a quote for each stage, before starting work on that stage.
- 3 Before the valuer starts work, or starts the next stage, we:
 - tell you how much the work will cost
 - tell you how much time it will take
 - ask you to pay the estimated amount.
- 4 Within 28 days of receiving the quote, you need to pay us the quoted amount. This may be:
 - the whole amount, or
 - the amount for the stage.

We will not ask the valuer to do the work until we receive your payment.



5 Once we receive your payment, we:

- ask the valuer to start the work
- send you a receipt for your payment.

This receipt is also a tax invoice – you may be able to claim the GST included in the valuer's fee as a GST credit.

As the cost of the valuation work is considered to be a cost of managing your tax affairs, it may be deductible for income tax purposes.

6 We will tell you:

- when the valuation is finished or confirmed, and
- if there are any changes to the final cost of the valuation or review.

7 We will:

- refund any extra amount you paid, or
- ask you to pay any shortfall.

If there is a shortfall, you need to pay this before we provide your private ruling.

8 We complete your private ruling and send it to you.

Private rulings involving a valuation may take longer than other private rulings, because we need to engage a professional valuer. Generally, we will contact you within 14 days of receiving your application to discuss an appropriate reply date.

➤ MORE INFORMATION

For more information about valuations:

- visit our website at **www.ato.gov.au**
- phone us on:
 - **13 28 61** if you are an individual
 - **13 28 66** if you are a business
 - **13 72 86** if you are a tax agent
- refer to *Market valuation for tax purposes* (NAT 72508).

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**. If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727**.

OUR COMMITMENT TO YOU

We are committed to providing you with advice and guidance you can rely on, so we make every effort to ensure that our publications are correct.

If you follow our guidance in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our advice and guidance in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest.

If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

You are protected under GST law if you rely on any GST advice in this publication. If you rely on this advice and it later changes, you will not have to pay any extra GST for the period up to the date of the change.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at **www.ato.gov.au** or contact us.

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