

## ATO RECEIVABLES POLICY

### PART C Lodgment of Documents and Notification of Liabilities

## Chapter 53 THE ROLE OF INTERMEDIARIES

*The policy in this chapter is to be followed by Tax Office staff. We have made every effort to ensure it is technically accurate, but in the interests of clarity it has been written in 'plain English' and should not be read or interpreted like legislation. If you feel that something in the chapter is wrong or misleading, please advise the Tax Office.*

**Date of effect: 24 July 2008** (This version replaces the 2006 version.)

**Key legislation:** Section 251L of the *Income Tax Assessment Act 1936*

### PURPOSE

1. This chapter outlines the role, obligations and assistance available to various intermediaries involved in the preparation and lodgment of approved forms.

### INTRODUCTION

2. The law previously restricted a person from demanding or receiving a fee for the preparation of an income tax return or objection, or the transaction of any business in income tax matters, on behalf of a taxpayer, unless the person was a registered tax agent.
3. Parallel restrictions applied to fringe benefits tax (FBT) work. As the activity statement contains information about income tax and FBT matters, those restrictions meant that only registered tax agents would be allowed to charge a fee to prepare and lodge a business activity statement (BAS) on behalf of taxpayers.
4. Concerns about the ability of tax agents to meet the demand for this work and the consequences for small businesses of not having an agent to assist in meeting their obligations could have led to taxpayers falling outside the tax system.
5. Legislation was introduced in 2000 to address those concerns, allowing either members of a recognised professional association, or bookkeepers working under the direction of registered tax agents, to charge a fee for providing BAS services on behalf of taxpayers. Entities that provide payroll bureau services to employers are also able to charge a fee for providing BAS services in relation to pay as you go (PAYG) withholding matters.

### POLICY

6. Alternative lodgment arrangements (programs) are developed and granted annually to registered tax agents. Programs are structured to allow agents to better manage their workload throughout the year, and take into account the Commissioner's obligation to collect revenue and information in a timely manner. The lodgment program adopts a combined lodgment approach (that is all lodgment obligations to the Tax Office are covered).

7. The program also extends more flexibility by recognising a whole of tax agent practice workload.
8. Practitioners can negotiate an individual program if their circumstances are exceptional and warrant special consideration.
9. Program end dates are not due dates. Progressive lodgments are required and in some circumstances are indicated within the program details.

### **Electronic lodgment methods**

10. The Electronic Lodgment System (ELS) and the Tax Agent Portal (TAP) are key electronic mediums for tax practitioners interacting with the Tax Office. The TAP is a major part of the Commissioner's commitment to making this experience easier, cheaper and more personalised.
11. ELS is a transmission facility to lodge income tax returns for individuals (including amendments), partnerships, trusts, companies and superannuation funds for current and prior years together with other forms and documents (Fringe Benefits Tax returns and activity statements). ELS can also be used to generate and receive client lists and reports.
12. TAP is a secure website that allows access to a range of information and services online. The site is designed to provide convenient access to view client information, download reports, submit online forms, and send messages to the Tax Office.

### **Lodgment deferrals**

13. The Tax Office may respond to representations from associations representing registered tax agents and allow further time to lodge certain categories of approved forms where the circumstances warrant such action.
14. Where taxpayer circumstances prevent the intermediary from meeting lodgment due dates, deferrals will be considered in line with the section '*requests for deferrals based on factors affecting the taxpayer*' in Chapter 55 'Deferral of the due date for lodgment or suspension of lodgment enforcement action'.
15. Where other circumstances prevent an intermediary from meeting lodgment due dates, deferrals will be considered in line with the section '*registered tax agents and bookkeepers providing a BAS service*' in Chapter 55 'Deferral of the due date for lodgment or suspension of lodgment enforcement action'.

### **Contacting clients of tax practitioners**

16. Clients of recognised intermediaries will also be contacted in accordance with established Tax Office guidelines for contacting clients of tax practitioners'.

### **TERMS USED**

Activity Statement – a form that allows the taxpayer or representative to report obligations for goods and services tax (GST), luxury car tax (LCT), wine equalisation tax (WET), pay as you go (PAYG) withholding and instalments, fringe benefits tax (FBT) instalments and fuel tax credits (FTC).

BAS service – is any of these:

- (i) preparing or lodging an approved form about a taxpayer's liabilities, obligations or entitlements under a BAS provision

- (ii) giving advice about a BAS provision, or
- (iii) dealing with the Commissioner or a person who is exercising powers or performing functions under a taxation law in relation to a BAS provision.

Business activity statement – a personalised form lodged by those taxpayers who have an obligation to lodge an activity statement and have a GST role as well as other obligations such as WET, LCT, PAYG instalments, PAYG withholding, FBT instalments and FTC. A BAS must be lodged with the Tax Office for each tax period.

Instalment activity statement – a personalised form issued by the Tax Office for reporting tax obligations to be lodged by taxpayers who are either not registered or required to be registered for GST, or who are not required to report GST in a particular period, but may have other reporting obligations.

#### **Chapter 53 - Archived version**

Version 4 – July 2006 (will link to chapter 53 pdf)
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