

Revenue Ruling

Ruling Number	:	PUB-GEN-2011-2
Title	:	Penalty Tax on Duty Instruments processed by TRO Agents
Tax Line	:	Duties
Legislative Reference	:	<i>Taxation Administration Act 1997</i>
Previous Ruling	:	PUB-GEN-2008-1
Date of Ruling	:	1 July 2011

Preamble

The purpose of this ruling is to ensure that Tasmanian Revenue Online (TRO) agents, and their authorised users, are placed in the same position with respect to the imposition of penalty tax as those who lodge duty instruments directly with the State Revenue Office (SRO) for assessment by the Commissioner of State Revenue.

The policy intent of the penalty tax provisions is to match the level of penalty tax with the degree the taxpayer is responsible for the tax default. Penalty tax is also imposed as an incentive to comply with the voluntary declaration of tax liabilities.

This ruling has been updated as part of the SRO's review of its interest and penalty tax policies.

Ruling

1. This ruling must be read in conjunction with Revenue Ruling, PUB-GEN-2011-1, "Interest and Penalty Tax" (PUB-GEN-2011-1).
2. This ruling commences on 1 July 2011 and applies to:
 - duty instruments processed using TRO on and after 1 July 2011;or
 - assessments issued by the Commissioner on and after 1 July 2011 for duty instruments processed on TRO (except as provided for in paragraph 4 of this ruling).
3. **Penalty tax will not be imposed** on a tax default for duty instruments processed by TRO agents **provided that**:
 - the tax default was not caused by intentional disregard of a taxation law or dishonesty;

and

 - the Commissioner has not been prevented from establishing the nature and extent of the tax default due to hindrance or concealment.

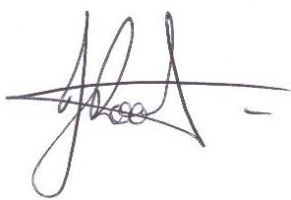
4. **Penalty tax will be imposed** in accordance with PUB-GEN-2011-1 in cases where a tax default occurs after the Commissioner issues an assessment and the taxpayer has failed to take reasonable care in meeting their taxation obligations. For example, where the taxpayer fails to pay part or all of the duty owing by the date specified on a First and Final Notice of Assessment, and the Commissioner has taken further action to recover the outstanding tax.
5. Interest will continue to be imposed in accordance with PUB-GEN-2011-1.

More Information

For more information about this ruling, please contact the SRO's Legislative Review Section by email: revenuereview@treasury.tas.gov.au, or phone (03) 6166 4400.

You can download a copy of this ruling from www.sro.tas.gov.au/rulings.

All rulings must be read subject to Revenue Ruling, PUB-GEN-2008-09, 'Explanation and Status of Revenue Rulings'.



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COMMISSIONER OF STATE REVENUE

1 July 2011

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