

Revenue Ruling 2008

Public Ruling

Ruling Number	:	PUB-GEN-2008-1
Title	:	Penalty Tax on Duty Instruments processed by TRO Agents
Tax Line	:	Duties
Legislative Reference	:	<i>Taxation Administration Act 1997</i>
Previous Ruling	:	-
Date of Ruling	:	16 April 2008 to 30 June 2011
Attachments	:	-

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.

The policy intent of the penalty tax provisions is to match the level of penalty tax with the degree to which the taxpayer is responsible for the occurrence of the tax default. Additionally, penalty tax is imposed with the aim of increasing compliance by providing incentives for the voluntary declaration of tax liabilities.

This ruling has been issued following stakeholder feedback to the Commissioner regarding the use of TRO; in particular, that the penalty tax regime has previously been found to operate as a disincentive to firstly register to use, and secondly, to actually use, TRO to process duty instruments. This ruling is the first part of a three stage review that will lead to the release of a revised interest ruling and a comprehensive ruling relating to the imposition of penalty tax and interest across all revenue lines.

Ruling

1. This ruling must be read in conjunction with Revenue Ruling, PUB-GEN-2006-1, "Interest and Penalty Tax" (PUB-GEN-2006-1).
2. **This ruling commences on 16 April 2008 and applies to:**
 - (a) **duty instruments processed using TRO on and after 16 April 2008;**

or

- (b) **assessments issued by the Commissioner on and after 16 April 2008 with respect to duty instruments processed on TRO (except as provided for in paragraph 4 of this ruling).**
3. **No penalty tax will be imposed** on a tax default relating to 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-2006-1 in cases where a tax default occurs after the Commissioner issues an assessment. For example, where there is a failure to pay part or all of the duty owing by the date specified on a First and Final Notice of Assessment.
5. **Penalty tax will be imposed** in accordance with PUB-GEN-2006-1 in cases where there is evidence that a tax default has been caused by intentional disregard or dishonesty, the conduct of an investigation has been hindered or the nature and extent of the tax default has been concealed.
6. Interest will continue to be imposed in accordance with PUB-GEN-2006-1.
7. This ruling replaces the TRO help file entitled, "Commissioner's Guarantee to Duty Instrument registrants".

Enquiries in relation to this Revenue Ruling should be directed to the Research, Analysis and Legislative Review Section on telephone number (03) 6166 4400 or email at revenueview@treasury.tas.gov.au. Copies of this ruling may be obtained from our website at www.sro.tas.gov.au.

All rulings must be read subject to Revenue Ruling, PUB-GEN-2005-5, "Explanation and Status of Revenue Rulings".



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16 April 2008

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Tasmania