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Bag Issues Log Item 06-004: Education and Corporate compliance on section 251L of the ITAA 1936

Log Item sent: 13/11/2006

AAPB commends the ATO on the useful information it has on its web-site in relation to section 251L of the Income Tax Assessment Act 1936 (ITAA 1936).

In a recent speech by the Commissioner of Taxation to the Taxpayers Australia and Superannuation Australia Annual Conference in Sydney on 10 November 2006, titled *"The ATO's approach to tax administration: working with the tax profession,"* the Commissioner of Taxation alerted to the challenges posed to new players such as bookkeepers who charge fees to prepare business activity statements.

In particularly the following was outlined:

"Developing the bookkeeping para-profession

Both the Tax Office and the tax profession are conscious of the challenges posed by the growth of new players in the accounting service industry, such as bookkeepers who charge fees to prepare business activity statements.

Bookkeepers and accountants often work hand-in-hand. The preferred approach in such cases should be seamless, with an emphasis on getting the quality of work 'right the first time'. High standards of capability in the bookkeeping industry relative to their tasks, should help accountants and tax agents spend more time on providing business advice to their clients and less time on lower level compliance work.

We are committed to working with tax agents and bookkeepers to design a framework for bookkeepers which complements the role played by accountants and tax agents. Activities could include training to assist bookkeepers, the development of a range of products and services including access to Electronic Commerce Interface online lodgment, and the introduction of a web page for bookkeepers.

To co-design the best way forward, we have begun consultations with the industry and are conducting research to improve our knowledge of bookkeepers, especially their needs and points of influence. "

The comments made appear to be indicating that either the message is not getting out there or it is perhaps being ignored.

AAPB seeks clarity on the following:

- 1. Can the ATO confirm whether it will be undertaking any further education in relation to creating awareness of section 251L? If so, can the ATO please outline what the strategy and timetable is proposed?*
- 2. If the ATO is not, then can the ATO please outline when it proposes to include bookkeepers in its corporate compliance programme? AAPB does not believe it would be unreasonable to do so given that lawyers, accountants and tax agents have already being included.*

Disclaimer

This document provides general information current at the time of writing. It is not intended that the information provide advice and should not be relied on as such. Professional advice should be sought prior to actions on any of the information contained herein.

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