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21<sup>st</sup> March 2006.

## **SUPPLEMENTARY SUBMISSION No: 1**

**Parliament of Australia**  
**The Joint Committee of Public Accounts & Audits**  
**Inquiry reviewing a range of taxation issues within Australia.**

Dear Sir / Madam and Members of the Committee,

I have been practising as a tax agent for 7 -8 years, am a member of the NIA, NTAA and TIA. I undergo heavy training as part of my profession.

### **Taxation Review - Part A**

#### **Areas:**

- Compliance regime - Record Keeping.

It is hard to make taxpayers keep records beyond 5 years. This is very apparent and important for a tax agent to have the original records when calculating capital gains (CGT) or losses for assets such as rental properties. I have had 5 major CGT calculations do to in the past 3 years and in every case, the clients have failed to keep their records on the basis that the ATO have told the public that you need only keep records for 5 years. This is INCORRECT - and misleading and the problem is the fault of the ATO. This is because for CGT purposes, you need to keep records for the life of the asset or the time in which you owned it. The problem is that there is misleading information coming from the ATO to the public about record keeping.

This is a major problem and needs to be addressed.

**Ian McKenzie**  
**FPNA, NTAA, FTIA.**