Income Tax Assessment (Tax Agents’ Fees) Amendment Bill 1989
(Private Senator’s Bill)

Date Introduced: 3 May 1989
House: Senate
Presented by: Senator John Watson

Digest of Bill

Purpose
To allow tax agents’ fees for the preparation of tax returns and other information required under the Income Tax Assessment Act 1936 (the Principal Act) and Fringe Benefits Tax Assessment Act 1986 to be tax deductible.

Background
Section 69 of the Principal Act allows a taxpayer to claim a tax deduction for money spent for the preparation by a registered tax agent of an income tax return. Fees for tax advice, or for lodging an objection, or lodging and conducting an appeal, against an assessment are not tax deductible. In addition, the deduction does not include fees paid to an agent for preparing information requested by the Commissioner in the course of an investigation into their affairs (Parrot v. Federal Commissioner of Taxation., 82 ATC 4085).

In the case of a business, the cost of providing an income tax return also qualifies for a deduction under section 69 of the Principal Act. The cost of preparing other returns, such as payroll tax, sales tax, and land tax returns are deductible under section 51 of the Principal Act.

Main Provisions
Clause 3 will allow a taxpayer to receive a deduction for the cost of the preparation, by a registered tax agent, of an income tax return or the preparation of additional information required under the Principal Act and the Fringe Benefits Tax Assessment Act 1986. In addition, deductions will not be allowable for expenditure incurred in contesting a dispute or resolving a disagreement through the courts and where a taxpayer has intentionally not submitted a complete income tax return.

For further information, if required, contact the Economics and Commerce Group.

19 July 1989

Bills Digest Service
Legislative Research Service
This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

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