



Budget 2016



Improving tax system governance

Tax laws can be complex and, at times, do not work as intended. It is important that the meaning of the law is clear so that more time can be spent building a business rather than navigating compliance with complex tax laws.

A better way to improve tax laws

Tax laws are constantly changing to deal with innovations in the way business operates and innovations in the way tax laws can be administered.

Regular system maintenance can ensure that the compliance burden imposed by the tax system is as low as possible.

For this reason the Government will ensure that regular Regulatory Reform Bills are introduced into the Parliament to update and improve our tax laws.

These Bills will include various regulatory reforms that will seek to reduce the compliance burden of tax laws and ensure they operate as intended. These reforms might arise from proposals put by tax practitioners, members of the public, the ATO, the Board of Tax, Treasury or other interested parties.

The Board of Tax has implemented an online Sounding Board to make it easier for members of the public and tax experts to provide feedback on regulatory reforms that could simplify and improve our tax laws. The Sounding Board is available at taxboard.gov.au

The Government is also committed to involving tax experts in the development of better tax policy and law design. The Government will draw on the capabilities of these experts by involving them more closely in selected tax policy and law design projects.

More timely guidance on the meaning of tax laws

Tax laws are designed to deal with a multitude of circumstances, address technical issues and ensure that tax avoidance is minimised. For these reasons, tax legislation is often very detailed.

To reduce the need for lengthy provisions in the tax law, the Government will support the ATO to produce public guidelines on the meaning of new tax laws at the same time as they are being drafted. These guidelines will be published as the legislation is introduced to Parliament. The guidelines will not have the same formal legal status as legislation but they will provide certainty to taxpayers in how they can comply with the new law.

Those with an interest in the operation of the law will be able to contact the ATO with questions about the guidelines in order to ensure that the law is properly understood.

Guidance would only be provided where legislation implements new initiatives or unfamiliar concepts. It would not be provided where concepts are straightforward.