

21 May 2020

Mr Chris Jordan AO
Commissioner of Taxation
Australian Taxation Office
52 Goulburn Street
SYDNEY NSW 2000

By email: chris.jordan@ato.gov.au

CC:

The Hon Michael Sukkar MP, Assistant Treasurer: michael.sukkar.mp@aph.gov.au
Jeremy Hirschhorn, Second Commissioner – Client Engagement: jeremy.hirschhorn@ato.gov.au
Jeremy Geale, COVID-19 Response Committee Chair: jeremy.geale@ato.gov.au

Dear Commissioner,

Request for further lodgement deferrals in response to COVID-19 Crisis

Several professional bodies representing the tax profession wrote to you on 2 April 2020 to request an extension of the lodgement date for a number of income tax returns that have been due for lodgement during the ongoing COVID-19 crisis. We were grateful for your response where you granted an extension to lodge all income tax returns for individuals, partnerships, trusts and companies to 5 June 2020.

However, we write to you again to ask you to consider further extending this date to 30 June 2020.

Our members are telling us throughout the duration of the crisis, and in particular over the last three to four weeks, that they have been inundated with pressing requirements to assist their clients access the variety of Stimulus Package measures, including the Cash Flow Boost and JobKeeper Schemes. As a result of this priority focus, they have had very limited capacity to attend to their clients' routine tax obligations. Compliance with the Stimulus Package measures is an obvious priority given the short timeframes in which taxpayers have had to determine if they are eligible to access these measures. Many of our members are quite stressed and anxious about not being able to meet their lodgement requirements, which for some will be for the first time ever. Further, taking a 'client by client' approach to lodgement deferral requests is prohibitively time consuming for practitioners at this time. A streamlined (ideally bulk) approach is their preference. A case by case approach to lodgement deferral requests also adds to the ATO's workload.

Request

We therefore request a deferral of the lodgement date for all 2018-19 income tax returns for individuals, companies, partnerships and trusts from 5 June 2020 to **30 June 2020**.

If you are unable to accede to our request, we would appreciate your consideration of targeted deferrals to support those that have been most heavily impacted by the Stimulus Package measures. This may take the form of providing deferrals to smaller practices with:

- a substantial business client base;
- a significant proportion of their client base claiming JobKeeper and/or receiving Cash Flow Boost payments;
- good lodgement program performance history;
- substantial progress in their 2018-19 lodgement program; or
- a combination of the above.

We also suggest that a statement to the tax profession from the ATO Executive on this issue would assist in highlighting the currently available support and the intended treatment of those who are unable to satisfy their lodgement program requirements. This could incorporate the various statements already made by the ATO in a unified message to tax professionals addressing the 85 per cent lodgement program performance requirement, application of late lodgement penalties and assessment of further tax agent-requested deferrals.

If you would like to discuss any of the above, please contact Tax Counsel, Stephanie Caredes, on 02 8223 0059 in the first instance.

Yours faithfully




Michael Croker
Tax Leader Australia
Chartered Accountants Australia and New Zealand




Dr Gary Pflugrath
Executive General Manager, Policy & Advocacy
CPA Australia




Tony Greco
General Manager Technical Policy
Institute of Public Accountants




Geoff Boxer
CEO
National Tax and Accountants' Association Ltd




John Jeffreys
Tax Counsel
Tax & Super Australia




Peter Godber
President
The Tax Institute