

13th September, 2007

A timely piece of advice from the Australian Taxation Office

Who's doing your tax return?

Your friend Joe has been talking about the big tax refund he received and how easy it was to get his return done. Joe encourages you to contact his agent, so you call and arrange an appointment.

You bring with you last year's notice of assessment and your payment summary and the meeting takes 10 minutes.

You sign a tax return, pay a fee of \$200, and are told to expect a refund cheque in the mail shortly. A few weeks later a large cheque arrives with a note from the agent.

A few months later you receive an audit letter from the Tax Office asking about your work-related self education, work-related car expenses, and your spouse offset claim.

Since you have no work-related self education and car expenses, nor a spouse this is the first you've heard about these claims.

You discover the agent you went to has been identified by the Tax Office as unregistered and that the claims made in your tax return after you signed the return were falsely entered by the unregistered agent.

As a result you receive a large tax bill including unpaid tax, penalty interest and a fine. And you can't even claim a tax deduction for the \$200 you paid to the agent to prepare your return.

Tax Office Assistant Commissioner, Chris Mobbs, says it doesn't pay to use an unregistered tax agent and it will likely increase your chances of being audited by the Tax Office.

"Each year the Tax Office receives complaints about people operating illegally as tax agents," Mr Mobbs said.

"While anyone can help you prepare and lodge your tax return or activity statement, only a registered tax agent can charge a fee for their services.

"A person caught acting as an unregistered tax agent can be prosecuted and receive a penalty of up to \$22,000.

"Last year the Tax Office investigated 113 allegations of people falsely acting as tax agents, with 8 cases being successfully prosecuted and further prosecutions pending."

Your tax return is your responsibility even if someone, including a tax agent, helps prepare and lodge your return for you. You need to make sure the information is accurate and that you can prove any claims for deductions if required.

“Not only do registered tax agents have the qualifications and experience to handle your tax affairs they are also regulated by the Tax Agents’ Board and are required to conduct themselves with the highest level of integrity and professionalism,” Mr Mobbs said.

You can check if your tax agent is registered by asking to see their Certificate of Registration and confirm it by contacting the Tax Agents’ Board on **1300 362 829** or visiting their website at www.tabd.gov.au

More information

If you have any questions or would like to report an unregistered tax agent you can phone the Tax Office on **13 28 61** between 8.00am and 5.00pm, Monday to Friday.