

Request to amend assessments ED0216

26 August 2019



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Dear Rob

ED0 216 Requests to amend assessments

Chartered Accountants Australia and New Zealand (CA ANZ) appreciates the opportunity to provide feedback on the draft Standard Practice Statement (SPS) that sets out how the Commissioner will exercise her discretion under s 113 of the Tax Administration Act 1994 to amend assessments to ensure their correctness.

The draft SPS is broadly the same as SPS 16/01 but has been updated to show how the following legislative changes interact with s 113:

- an amendment request made by a taxpayer using myIR to modify an existing return;
- an amendment of income information by a qualifying individual (i.e. a person who only has reportable income) pre or post assessment; and
- correcting minor errors in a future return.

We are pleased the SPS has been updated to cover the above items and subject to the following comments support its publication.

Treating s 113 requests equally

Section 15B of the Tax Administration Act 1994 requires a taxpayer to determine the correct amount of tax payable. If an error is made and the amount of tax is not correct the taxpayer is obliged to request that the Commissioner amend the assessment to reflect the correct position.

Paragraph 49 states that “The Commissioner will, as a matter of practice, always apply resources to considering a s 113 request that amounts to a voluntary disclosure (in that the request discloses a tax shortfall)”.

We are concerned that the Commissioner’s default position is to amend assessments where there is tax payable. However, where taxpayers are asking for an amendment to correct a tax position that will result in a tax refund the Commissioner may not undertake a reassessment.

We accept that the Commissioner has limited resources.¹ However, as taxpayers must supply the Commissioner with all relevant information to substantiate a s 113 request we believe this should generally minimise the amount of time and resources needed by Inland Revenue to investigate a request. We expect that there would be very few cases that would require a disproportionate amount of the Commissioner's resources.

Given fairness is an important factor underlying voluntary compliance, we believe that the Commissioner should consider all requests irrespective of whether the s 113 requests results in tax payable or a tax refund.

Practical examples

In our view the SPS would be improved by the use of practical examples that step through the process. In particular:

- amending a return in myIR, including the "amendment information".² This could be illustrated with screenshots of myIR;
- where the request is in the nature of a voluntary disclosure, overlaying the process with the additional steps that should be taken and/or documentation.

We would be happy to discuss our submission with you.

Yours sincerely



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¹ Draft SPS paragraphs 39-31

² Draft SPS paragraph 69