

Regulatory Reform Legacy Ideas

The Board of Taxation (the Board) plays a key role in helping the Australian Government to carry out its regulatory reform agenda. As part of this role, the Board provides advice to the Treasurer on opportunities to reduce red tape in the tax system and provides an important consultation mechanism for more substantive tax system improvement matters.

The Board maintains a Regulatory Reform Working Group comprising representatives from the Board, Treasury and the Australian Taxation Office which meets regularly to assist the Board in undertaking this work.

A key project for the Working Group over the last 12 months was to examine in detail each of the 170+ regulatory reform tax ideas submitted to the Board. These submissions were received from a wide range of sources including individuals, private organisations, public companies, peak bodies and government departments.

As part of this process, the Working Group, along with representatives from the Department of Treasury and the Australian Taxation Office examined each of the ideas in detail.

In forming a view, the Working Group considered the following in respect of each idea:

- Anticipated regulatory savings;
- Likely cost to revenue;
- Simplicity;
- Time required to implement; and,
- The overall net benefit to the tax regulatory system.

In the course of examining these ideas, the Board has also sought to identify good policy proposals that, while they may be broader than regulatory reform, were worthy of further action by the Board.

The below tables have categorised each of the ideas according to the tax to which they related. The tables also detail the main reasons leading to the idea's current status. The various types of status are as follows:

- Referred for implementation
 - Idea has been referred to the Government, Treasury or Australian Taxation Office (ATO) for legislative or administrative implementation.
- Actioned by the Board

- Idea was the subject of previous action by the Board and is not currently under consideration by the Board. For example, the Board has previously made recommendations to Government.
- Actioned via other avenues
 - Idea will be actioned through other Government processes and is no longer under consideration by the Board. For example, consultation on draft regulations is currently underway.
- Listed on Sounding Board for discussion
 - Idea will be listed for discussion on Sounding Board at <https://taxboard.ideascale.com/>
- Still under consideration
 - Idea is still being actively considered by the Board.
- Considered via the Government’s tax reform process
 - Idea was considered through the Government’s tax reform processes and is no longer under consideration by the Board.
- Referred by the Board
 - Ideas that the Board has referred to other agencies for their consideration.
- Out of Scope
 - Idea is out of scope for the Board and will not be progressed any further.

Outcome of Legacy Ideas

Business Tax Ideas			
Idea No.	Status	Description	Reason
BT1	Referred to Treasury for implementation	Remove deferred tax liabilities from entry and exit tax cost setting rules/calculations.	Refer to 2016-17 Budget measure “Ten Year Enterprise Tax Plan – better targeting the deductible liabilities measure”.
BT2	Referred by the Board	Introduce a statutory safe harbour for the price of low risk related party debt. Such a safe harbour could be a recognised benchmark (e.g. LIBOR or the inter-bank lending rate) plus a modest margin. Safe harbours operate well in other jurisdictions.	The Board wrote to Treasury in 2015 recommending a transfer pricing safe harbour interest rate as part of the ‘Re:think’ Tax Discussion Paper process.
BT3	Actioned by the Board	Replace same business test for losses with rules closer to US, UK or Canadian tests – i.e. continuation of similar business activities of same general nature or character.	The Board wrote to Treasury recommending the adoption of a ‘similar business test’ in 2015 as part of the ‘Re:think’ Tax Discussion Paper process. This proposal was covered by the Government’s National Innovation and Science Agenda, which includes discussion of a new “similar business” test.
BT4	Actioned by the Board	Particularly with respect to franking credits, align definition of ‘dividends’ between company and tax law.	The Board wrote to Treasury in 2015 recommending an alignment of the definition of dividends between Company and Tax law as part of the ‘Re:think’ Tax Discussion Paper process.
BT5	Actioned by the Board	Transfer pricing safe harbours (for large multinationals) could be applied to; interest rates, management fees, distribution margins, research and development costs, secondments and guarantee fees.	The Board wrote to Treasury in 2015 recommending a transfer pricing safe harbour interest rate as part of the ‘Re:think’ Tax Discussion Paper process. Other suggested transfer pricing safe harbours have been referred to the ATO’s safe harbours steering group for consideration.
BT6	Actioned by the Board	Replace thin-capitalisation with single worldwide gearing test.	Board provided a report to Government on the Thin-Capitalisation Arms-Length Debt Test in 2014.
BT7	Actioned by the Board	Introduce legislation to adopt the OECD approach with respect of the attribution of profits to Permanent Establishments.	The Board provided a report to Government on tax arrangements applying to Permanent Establishments in 2013.
BT8	Referred by the Board	Consider implementing mechanisms to make bright-line income-capital distinctions (that is, simplify the revenue/capital distinction).	The Board wrote to Treasury in 2015 recommending the simplification of this distinction as part of the ‘Re:think’ Tax Discussion Paper process.
BT9	Actioned by the Board	Consider drafting Division 775 of the ITAA 1997 with natural and clearer language. Consider the issues surrounding application to turnkey projects.	Refer to 2017-17 Budget measure “Ten Year Enterprise Plan – business simplification – taxation of financial arrangements – regulation reform”.
BT10	Actioned by the Board	Simplify method of recognising gains and losses on inter-company loans, similar to the retranslation method.	In July 2014, the Board completed its review to assist Treasury to determine the scope of its review of the Taxation of Financial Arrangements (TOFA) regime. Refer to 2016-17 Budget measure “Ten Year Enterprise Plan – business simplification – taxation of financial arrangements – regulation reform”.
BT11	Actioned by the Board	Reduce TOFA disclosure requirements for non-banking/financial institutions; simplify the whole area.	In July 2014, the Board completed its review to assist Treasury to determine the scope of its review of the Taxation of Financial Arrangements (TOFA) regime. Refer to 2016-7 Budget measure “Ten Year Enterprise Plan – business simplification – taxation of financial arrangements – regulation reform”.
BT12	Actioned by the Board	Closer alignment between taxable income and financial accounting profit in the next TOFA rewrite; look to adopt accounting principles where appropriate.	In July 2014, the Board completed its review to assist Treasury to determine the scope of its review of the Taxation of Financial Arrangements (TOFA) regime. Refer to 2016-17 Budget measure “Ten Year Enterprise Plan – business simplification – taxation of financial arrangements – regulation reform”.
BT13	Actioned via other avenues	Retain R&D tax incentives targeted at growing SMEs.	This issue is covered by the Government’s National Innovation and Science Agenda, which includes a review of the R&D tax incentive programme.
BT14	Listed on Sounding Board	Provision of consistent levels of R&D guidance/advice across industries (E.g. no industry guidance provided for mining due to wanting to see what types of claims were made under the tax incentive).	The Board is interested in understanding the level of community priority for this proposal. It has been listed for discussion on Sounding Board at https://taxboard.ideascale.com/ .

Idea No.	Status	Description	Reason
BT15	Listed on Sounding Board	Need guidance with respect to Employee Share Schemes and whether interests in certain common kinds of foreign vehicles (e.g. a limited liability company) qualify as 'shares' or 'ordinary shares' under the ESS rules, in particular, subsections 83A-10(1) and 83A-45(2) of the ITAA 1997.	The Board is interested in understanding the level of community priority for this proposal. It has been listed for discussion on Sounding Board at https://taxboard.ideascale.com/ .
BT16	Listed on Sounding Board	Amend transfer pricing rules so that when a taxpayer's gearing ratio falls within the safe harbour ratios, the taxpayer's debt deductions are priced, for the purposes of the transfer pricing rules, on the basis of the taxpayer's actual gearing ratio and not by reference to a notional arm's length capital structure.	The Board is interested in understanding the level of community priority for this proposal. It will be listed for discussion on Sounding Board at a future date.
BT17	To be listed on Sounding Board at a future date	Exempt SMEs from having to show their capital structures are consistent with arm's length conditions for the transfer pricing rules where they become exempt from the thin cap provisions due to the proposed increase in the <i>de minimis</i> threshold.	The Board is interested in understanding the level of community priority for this proposal. It will be listed for discussion on Sounding Board at a future date.
BT18	To be listed on Sounding Board at a future date	Narrow definition of passive income; rules should provide gateways and exceptions to minimise compliance costs; Controlled Foreign Corporation (CFC) calculations should not import complex domestic rules into their calculations of attributable income; CFC rules should contain optional same country grouping.	The Board is interested in understanding the level of community priority for this proposal. It will be listed for discussion on Sounding Board at a future date.
BT19	To be listed on Sounding Board at a future date	Examine tracing rules for the continuity of ownership test in respect of pre-CGT assets.	The Board is interested in understanding the level of community priority for this proposal. It will be listed for discussion on Sounding Board at a future date.
BT20	To be listed on Sounding Board at a future date	Harmonise differences in the Australian and foreign tax treatment of Employee Share Schemes so that Australian employees of a foreign entity are not disadvantaged as compared to their foreign colleagues.	The Board is interested in understanding the level of community priority for this proposal. It will be listed for discussion on Sounding Board at a future date.
BT21	Considered via Government's tax reform process	Consider tax treatment afforded to flow-through entities to reduce uncertainty.	Discussion of flow-through entities can be found on pages 109-110 of the 'Re:think' Tax Discussion paper.
BT22	Considered via Government's tax reform process	Simplify anti-avoidance rules for losses and bad debts - too complex compared to revenue at stake.	The Board wrote to Treasury recommending the adoption of a 'similar business test' with respect to losses in 2015 as part of the 'Re:think' Tax Discussion Paper process.
BT23	Considered via Government's tax reform process	Replace carry forward loss tests with single 'bright-line' test based upon a certain change in beneficial ownership.	The Board wrote to Treasury recommending the adoption of a 'similar business test' with respect to losses in 2015 as part of the 'Re:think' Tax Discussion Paper process.
BT24	Considered via Government's tax reform process	Allow imputation credit for foreign and Australian tax to encourage outward investment without resulting in an incentive for an Australian multi-national to move its head office offshore.	Discussion can be found on page 82 of the 'Re:think' Tax Discussion paper.
BT25	Considered via Government's tax reform process	Depreciation: Low value pool threshold of \$1,000 should be increased to \$5,000.	Discussion of Work Related Expense deductions and depreciation more generally can be found on page 54 and 88 respectively of the 'Re:think' Tax Discussion paper.
BT26	Considered via Government's tax reform process	When fiscal circumstances permit, reintroduce loss carry back rules.	Discussion can be found on page 88 of the 'Re:think' Tax Discussion paper.
BT27	Considered via Government's tax reform process	Review the use of losses by consolidated groups.	Discussion can be found on pages 88 - 89 of Treasury's "Re:think" Tax Discussion paper.
BT28	Out of Scope - Policy	Introduce a revised and simplified consolidations regime for SMEs.	The consolidations regime was considered as part of a Treasury review in 2015 and a revised and simplified regime for SMEs did not proceed.
BT29	Out of Scope - Policy	Make the requirement for external expert review of internal thin-capitalisation revaluations under subsection 820-680(2B) be necessary every 3 years rather than every year.	Proposal is inconsistent with current Government policy.
BT30	Out of scope - policy	Depreciation: Non-small business entities should be able to immediately write-off low value assets up to \$1,000.	The Board understands the current threshold for immediate asset write-off for entities other than small businesses is \$300. Changes to the current \$300 threshold involve a cost to revenue and is a policy matter for Government.
BT31	Considered via Government's tax reform process	Reduce Company tax rate to attract foreign investment. The current proposal will be offset by the Paid Parental Leave levy.	Refer to 2016-17 Budget measure "Ten Year Enterprise Plan - reducing the company tax rate to 25 per cent". The PPL is no longer Government policy.

Idea No.	Status	Description	Reason
BT32	Out of scope	Payments of PPL should generate franking credits to avoid the potential for double taxation.	The PPL is no longer Government policy.
BT33	Out of scope	Delete section 124-780 (3)(b) of the ITAA 1997 and allow CGT roll-over to be applied for losses as well as gains.	Allowing CGT roll-over to apply for losses as well as gains is a policy consideration for Government.
BT34	Considered via other avenues	Overly complex earn out provisions for CGT calculations for what is a timing difference.	The Parliament has enacted legislation for this measure. See Tax and Superannuation Laws Amendment (2015 Measures No 6) Act 2016.

Income Tax Ideas

Idea No	Status	Description	Reason
IT1	Referred to Treasury for implementation	Decrease the unnecessary compliance burden faced by crude oil and condensate producers regarding excise registration, by changing production below the threshold (30 million barrels per year) from excise free to excise exempt.	There is potential for regulatory savings for affected stakeholders. Referred to Treasury for consideration.
IT2	Actioned by the Board	Evidence of whether a loan meets Div 7A requirements could be drawn from the basis on which the loan is being repaid.	The Board provided a report to Government on its Post-Implementation Review of Division 7A in 2014. Refer to 2016-17 Budget measure "Ten Year Enterprise Plan - targeted amendments to Division 7A".
IT3	Actioned by the Board	General review of Personal Services Income (PSI) rules as work patterns have changed since their introduction in January 2000.	Changes to the PSI rules were covered by the Board's Post-Implementation review of the Alienation of PSI , provided to the then Government in 2009.
IT4	Actioned by the Board	Reduce the number of categories required to group depreciable assets.	The Board wrote to Treasury in 2015 recommending the simplification of depreciable asset categories and effective life safe harbours as part of the 'Re:think' Tax Discussion Paper process.
IT5	Considered via other avenues	Make overseas self-education and conference expenditure non-deductible.	The deductibility of work related expenses was considered as part of the 44 th Parliament's House of Representatives Standing Committee on Economics' inquiry into tax deductibility .
IT6	Considered via other avenues	Simplify the rules regarding the deductibility of non-compulsory uniforms and wardrobes in Division 34 of the ITAA 1997	The deductibility of work related expenses was considered as part of the 44 th Parliament's House of Representatives Standing Committee on Economics' inquiry into tax deductibility .
IT7	Listed on Sounding Board	ATO should consider reviewing and updating its guidance in respect of schemes to provide certain benefits (section 45B).	The Board is interested in understanding the level of community priority for this proposal. It has been listed for discussion on Sounding Board at https://taxboard.ideascale.com/ .
IT8	Listed on Sounding Board	Introduce a general safe harbour effective life for long-life depreciating assets in Division 40, much like the small business general asset pool (say 20 years).	The Board is interested in understanding the level of community priority for this proposal. It will be listed for discussion on Sounding Board at a future date.
IT9	To be listed on Sounding Board at a future date	Reduce number of definitions in Personal Services Income (PSI) tests. ATO calculate personal services entity's PAYG instalment to simplify compliance.	The Board is interested in understanding the level of community priority for this proposal. It will be listed for discussion on Sounding Board at a future date.
IT10	To be listed on Sounding Board at a future date	Currently there are many types of CGT rollovers. Simplify into three categories.	The Board is interested in understanding the level of community priority for this proposal. It will be listed for discussion on Sounding Board at a future date.
IT11	Considered via Government's tax reform process	Income tax legislation still operates on the basis that 65 years of age is a 'cut-off' for a number of tax concessions or incentives whereas in practice, many employers now do not treat 65 years of age as having any definitive impact on their employees employment status. Remove this effective age discrimination from existing tax legislation in areas such as super contributions, genuine redundancy payments, early retirement scheme payments and annual and long service leave payments.	While the Government is supportive of the increased flexibility in the harmonisation of contribution rules for those aged between 65 and 74, it is not taking it forward as part of the Superannuation reform package, given the changes to non-concessional contributions. The other ideas remains under active consideration by the Board
IT12	Considered via Government's tax reform process	Subject all property and interest deductions to an occupancy test in order to be eligible for offset against non-rental income.	Discussion on investment properties and negative gearing can be found on pages 63 – 66 of the 'Re:think' Tax Discussion paper.
IT13	Considered via Government's tax reform process	Beneficiary of a deceased estate should acquire a CGT asset at market value on the date of death of deceased.	Discussion on CGT in general can be found at pages 35 - 57 of the 'Re:think' Tax Discussion paper.
IT14	Considered via Government's tax reform process	Introduce standard deductions (five year phase in) - significant scope for reduction in 'red tape'.	Discussion of work related expense deductions can be found on page 54 of the 'Re:think' Tax Discussion paper. In addition, the deductibility of work related expenses in particular is being considered as part of the 44 th Parliament's House of Representatives Standing Committee on Economics' inquiry into tax deductibility .

Idea No.	Status	Description	Reason
IT15	Considered via Government's tax reform process	Simplify CGT main residence exemption by removing choice and apportionment rules. Exemption restricted to dwelling used wholly and continuously as main residence.	Discussion on CGT in general can be found at pages 35 - 57 of the 'Re:think' Tax Discussion paper.
IT16	Referred by the Board - to ATO for consideration as part of data collection & streamlining Project	Remove the CGT Schedule and Dividend and Interest Schedule from the income tax return – form C.	The ATO is examining ways in which natural systems of information can be used to obtain this data. In the short to medium term however, the Schedules remain the most efficient mechanism to manage information about these taxes whilst simultaneously minimising compliance costs.
IT17	Referred by the Board - to ATO for consideration as part of data collection & streamlining Project	Review content of and need for the forms that are related to the income tax return where duplication of data occurs and consolidate (E.g. losses schedule).	The ATO is examining ways in which natural systems of information can be used to avoid duplication of data.
IT18	Out of Scope	Absorb Medicare levy into income tax rate scale; remove its exemptions and thresholds.	Changes to the administration of the Medicare levy (including removal of exemptions and thresholds) and changes to income tax rates involve substantive policy considerations for Government.
IT19	Out of Scope	The ITAA should be amended to provide greater clarification around the definition of entertainment expenses.	Amending the definition of 'entertainment expenses' necessarily involves policy considerations for Government.

Small Business Tax Ideas

Idea No	Status	Description	Reason
SBT1	Actioned by the Board	Small Business CGT concessions should be simplified to make them easier to understand and apply.	Covered by the Board's Tax Impediments Facing Small Business Report , provided to Government in 2014.
SBT2	Actioned by the Board	Repeal building and construction industry reporting regime (unless it is beneficial to keep) or simplify when and what to report.	The Board provided a report to Government on Tax Impediments Facing Small Business in 2014. The Government agreed to implement a number of the Board's recommendations.
SBT3	To be listed on Sounding Board at a future date	Trading stock concessions in Subdivision 328-E should be removed on the basis that they are hardly used.	The Board is interested in understanding the level of community priority for this proposal. It will be listed for discussion on Sounding Board at a future date.
SBT4	Considered via Government's tax reform process	Replace maximum net asset value test as part of small business CGT concessions with an objective test which is easier to comprehend and apply - replacement could be aggregated turnover test with the concession being gradually reduced above a certain threshold.	Discussion can be found on page 115 of the 'Re:think' Tax Discussion paper.
SBT5	Considered via Government's tax reform process	Modify small business CGT concessions to offer a single concession with qualifying rules and one targeted concession offering 100% discount.	Discussion can be found on page 115 of the 'Re:think' Tax Discussion paper.
SBT6	Considered via Government's tax reform process	The small business income threshold of \$2M should be reviewed.	The Government announced the increase in the small business turnover threshold to \$10 million in the 2016-17 Budget.
SBT7	Considered via Government's tax reform process	When fiscal circumstances permit, increase the small business instant asset write-off threshold back to \$6,500.	The small business instant asset write-off threshold was lifted to \$20,000 in the 2015-16 Budget. The 2016-17 Budget extends the instant asset write-off to 30 June 2017 for small business acquiring assets that cost less than \$20,000. .
SBT8	To be listed on Sounding Board at a future date	Consider a simplified 'SME business company' entity type.	The introduction of a new entity for tax purposes is a policy consideration for Government. The Board is interested in understanding the level of community priority for this proposal. It will be listed for discussion on Sounding Board at a future date.
SBT9	Under consideration by the Board	Repeal withholding in relation to all payments to foreign residents in construction activities if recipient has ABN. If no ABN then withholding applies or recipient has to declare they do not carry on enterprise in Australia.	The Board considers the current withholding rules are appropriate and necessary. The Board is working with the ATO in relation to the ABN system as part of one of its projects.

Goods and Services Tax Ideas

Idea No	Status	Description	Reason
GST1	Referred for implementation by the Board	Remove the requirement of reporting the W1 total salary and wages amount on the BAS for large withholders as it is not used for the purposes of any calculations within the BAS.	Despite the label being useful for statistical and compliance purposes, it has no impact on a taxpayer's payment liabilities. Referred to ATO for implementation.
GST2	Actioned via other avenues	Streamline and simplify the GST registration process for non-residents.	The GST on digital products measure announced in the 2015-16 Budget implemented an optional simplified GST registration system for non-residents. Refer to Tax and Superannuation Laws Amendment (2016 measures No 1) Act 2016.
GST3	Actioned via other avenues	Reform 'connected with Australia' rules and the reverse charge mechanism to keep more non-residents out of the GST net and increase GST compliance.	Refer to Tax and Superannuation Laws Amendment (2016 measures No 1) Act 2016.
GST4	Listed on Sounding Board	Increase the GST valid tax invoice requirement threshold from \$82.50 to \$150 GST inclusive.	The Board is interested in understanding the level of community priority for these proposals and they have been listed for discussion on Sounding Board at https://taxboard.ideascale.com/ .
GST5	Listed on Sounding Board	The current limits for correcting prior period GST errors (based on value and time) should be increased.	The Board is interested in understanding the level of community priority for these proposals and they have been listed for discussion on Sounding Board at https://taxboard.ideascale.com/ .
GST6	To be listed on Sounding Board at a future date	Allow a range of contra transactions to be netted off in the BAS in order to match BAS reporting to the accounting processes used by a range of taxpayers.	The Board is interested in understanding the level of community priority for this proposal. It will be listed for discussion on Sounding Board at a future date.
GST7	Referred to Treasury for consideration	Amend GST law to ensure all dealer incentives are subject to GST.	The Board understands that this idea has been raised several times in the past and has been discussed with the States. The Board notes that any change to the GST rate or base requires unanimous agreement of all the States and the Federal Government. The Board has passed these concerns on to the appropriate area within Treasury for their consideration.
GST8	Still under consideration by the Board	GST law does not adequately deal with joint ventures and in particular, the use of multiple JV's within the oil and gas industry. To reduce complexity and achieve revenue neutral outcome, propose amendment of Division 48 of the GST Act to allow commonly operated GST JVs and/or GST JVs involved in common project developments to form a GST Group. Alternatively, amend the existing GST JV provisions of Division 51 of the GST Act and in particular, 51-30(2) to expand the existing range of scenarios in which supplies are treated as if they are not a taxable supply for GST purposes.	This idea remains under active consideration by the Board.
GST9	Out of scope - policy	Any tax review must also consider the GST rate and base.	A change to the GST rate and/or base is inconsistent with current Government policy.
GST10	Referred by the Board - to the ATO	Remove the various No-GST codes within MYOB. This is contributing to the compliance burden of small businesses with the data used by ATO for audit. ATO could identify alternative means to access this sort of data for compliance purposes.	The ATO is reducing the amount of GST information required for the BAS to simplify GST record keeping and reporting requirements. Where opportunities present themselves the ATO will examine ways in which natural systems of information can be used to obtain this data and aims to remove the reporting requirements of taxpayers when the ATO can obtain information such as this through alternative sources.
GST11	No further action	Repeal GST adjustment period rules which require tracking of credible use of all acquisitions over different periods of time depending on the amount of the acquisition, OR, simplify by making all acquisitions over a certain value adjustable for a single period of time.	The Government considered this proposal as part of the announced but unenacted measures process and decided not to proceed.
GST12	No further action	GST grouping rules should be simplified.	The Government decided not to proceed with this announced but unenacted measure.

Superannuation Ideas

Idea no	Status	Description	Reason
SI1	Referred by the Board	Instead of requiring an actuarial certificate, allow taxpayers to work out their exempt current pension income (ECPI) deduction calculation per s295-385 through a statutory formula.	This idea has the potential for compliance cost savings for affected taxpayers (up to \$25m p.a.). This matter has been referred to Treasury.
SI2	Actioned via other avenues	Review documentation requirements as there is still a lot of paper based compliance for unclaimed / lost members / ATO reporting.	Treasury consulted on draft regulations to streamline administrative requirements for lost and unclaimed members (closed 20 October 2015). Changes to the definition of a lost uncontactable member were made on 26 February 2016.
SI3	Listed on Sounding Board	Extend the current two year superannuation fund central management and control exemption to four years. The existing exemption is too short in the context of modern work arrangements.	The Board is interested in understanding the level of community priority for these proposals and they have been listed for discussion on Sounding Board at https://taxboard.ideascale.com/ .
SI4	Listed on Sounding Board	Superannuation Guarantee Charge rules are complex and onerous (many SMEs ignore SGC for late Super remissions).	The Government has consulted on proposed legislation that would amend the current penalties regime for non-payment of the Superannuation Guarantee to provide more incentive for employers to remedy inadvertent underpayment while continuing to penalise deliberate non-compliance. More generally, the Board is interested in understanding the level of community priority for these proposals and they have been listed for discussion on Sounding Board at https://taxboard.ideascale.com/ .
SI5	Considered via the Government's tax reform process	Remove anti-detriment rules in s295-485. This would remove a large amount of complexity in superannuation laws.	The Government announced removal of the anti-detriment rules as part of the Government's Superannuation reform package in the 2016-17 Budget. Exposure draft material was released on 28 September 2016.
SI6	Considered via the Government's tax reform process	Remove the 10% income test and allow any fund member to make personal deductible contribution. Fund members will no longer need to determine whether they pass the test. This will also remove the need for salary sacrifice arrangements.	The Government announced removal of the 10% income test as part of the Government's Superannuation reform package in the 2016-17 Budget. Exposure draft material was released on 15 September 2016 for consultation.
SI7	Considered via the Government's tax reform process	Increase the superannuation guarantee clearing house limit threshold from 19 staff to 100 staff.	Changes to the availability of the Superannuation Clearing House involve policy considerations by Government. The Working Group notes that access to the clearing house has been expanding to all businesses with turnover of less than \$2m. Further discussion of the Superannuation Clearing House can be found on page 114 of Treasury's "Re:think" Tax Discussion Paper.
SI8	Considered via the Government's tax reform process	Remove the restriction of the 'bring forward rules' to members who are over 65 - alternatively, a simpler test where a taxpayer is eligible to make non-concessional contributions without needing to satisfy the work test if the taxpayer is 64 or under on 30 June of the preceding year.	The Government has announced changes to the superannuation contribution rules as part of the Government's superannuation reform package in the 2016-17 Budget. However the specific proposals are outside the scope of these changes.
SI9	Out of scope	Employers should pay Superannuation Guarantee through a single payment attached to the quarterly BAS.	This specific idea is not going ahead, however the Board notes the Government has consulted on proposed legislation that would amend the current penalties regime for non-payment of the Superannuation Guarantee to provide more incentive for employers to remedy errors while continuing to penalise deliberate non-compliance.
SI10	Out of scope	Consider reviewing how Superannuation Guarantee is calculated - 'ordinary time earnings' concept difficult to interpret and apply.	This specific idea is not going ahead, however the Board notes the Government has consulted on proposed legislation that would amend the current penalties regime for non-payment of the Superannuation Guarantee to provide more incentive for employers to remedy errors while continuing to penalise deliberate non-compliance.

Idea No.	Status	Description	Reason
SI11	No further action	Government should pursue an integrity measure which enables efficient and timely roll-over benefits from APRA funds to SMSFs to minimise the risk of 'roll-over fraud' and improper entitlement to roll-over benefits.	The Board understands that there is a higher risk of fraudulent rollovers to SMSFs and that this can cause delays. The ATO is currently examining the potential to extend SuperStream rollovers from APRA funds to SMSFs. This would include a requirement that APRA funds can only send a rollover to the SMSF bank account that the SMSF trustee has provided to the ATO.
SI12	No further action	Allow SMSF auditors full access to ATO tax agent portal. This will allow them to efficiently access information.	The Board understands the key integrity role that SMSF auditors' undertake in the SMSF sector and their need for efficient access to information in undertaking that role. The ATO are considering and consulting on the provision of online services to support SMSF professionals including auditors.
SI13	Out of scope - policy	To reduce compliance costs, large superannuation funds' tax should be paid on accounting profits; The tax rate applied to all funds could be calculated to take into account the capital gains discount and imputation; Exempt pension income could be retained using current approached permitted in the law.	Changes to the tax treatment of large superannuation funds and the rate applied to all superannuation funds involve substantive policy considerations and may come at a cost to revenue.
SI14	No further action	Exclude 'active member test' requirement for any superannuation fund to qualify for tax concessions.	The Board understands this is a necessary integrity measure.
SI15	No further action	Where there is a small fund and there is no benefit to members, an SMSF audit check can be completed with the tax return info.	The Board understands that the annual independent audit process is a key integrity check for the superannuation system. The ATO are however happy to continue to work with the SMSF sector and Auditor industry to improve the efficacy and efficiency of the audit process.
SI16	No further action	Rules as they apply to SMSF's are dominated by compliance obligations that serve no purpose, but, in practice, establish the tax consequences. Simplify rules to allow retirees to look after their own affairs without the need to engage a professional adviser/compliance manager.	The proposal to simplify SMSF compliance rules is too broad and may involve policy considerations. The Board welcomes the submission of specific proposals regarding SMSF compliance burdens via its new Sounding Board platform.
SI17	Out of scope - policy	Where the ATO can identify a superannuation account for unclaimed money, the ATO should have the power to repatriate the amount to an active account for the member.	Changes to unclaimed money in superannuation accounts are a policy consideration for Government. The Working Group understands that the ability to combine superannuation accounts is available for individuals through the 'MyGov' website.

Tax Administration Ideas

Idea No	Status	Description	Reason
TA1	Actioned by the Board	Harmonise the definition of contractors and employees across all areas of tax; create a uniform questionnaire to determine status for tax purposes; create a contractor registry on ATO website.	The Board wrote to Treasury in 2015 recommending the harmonisation of these definitions as part of the 'Re:think' Tax Discussion Paper process. This topic was discussed at pages 129 – 155 of the "Re:think" Tax Discussion paper. The Board is also currently investigating this matter.
TA2	Actioned by the Board	The standards imposed on the providers of financial product advice and providers of tax (financial) services are different. Treasury, ASIC, the ATO and the TPB should work together to ensure that there is harmonisation between standards imposed on providers of financial product advice and those imposed with respect to the provision of tax services.	The Board has referred Government.
TA3	Actioned via other avenues	Ability of businesses to access their tax affairs using the Business Portal is limited and inflexible as AUSkey is only issued to specific staff. Business lose access when the staff or unavailable or away.	Dealt with as part of ATO's 'Manage ABN connections' project and Administrator AUSkey features.
TA4	Actioned via other avenues	Class ruling required for every early retirement scheme creating red tape and delays. Laws should outline conditions to be satisfied and Commissioner issue practice statement to provide guidance.	The ATO will consider how it can improve the public guidance available to employers contemplating an early retirement scheme (ERS) as part of the ATO's broader review of public guidance, particularly with respect to what it takes into consideration when determining if an ERS exists and the information that will need to be provided when making an application.
TA5	Actioned via other avenues	Indexation of statutory caps. For example, the WRE without receipts amount and FBT minor and incidental amounts of \$300 was set in the 1980s. The amounts should be reviewed with a view to make them more relevant.	The deductibility of work related expenses are currently being considered as part of the 44 th Parliament's House of Representatives Standing Committee on Economics' inquiry into tax deductibility .
TA6	Actioned via other avenues	Review whether the quarterly reporting obligations for small businesses (i.e. BAS) could be significantly simplified.	The Government announced in the 2016-17 Budget that simpler business activity statements will become the standard reporting option for all small businesses with a turnover of less than \$10 million from 1 July 2017.
TA7	Actioned via other avenues	The ATO should be given greater power to enunciate positions (clarify laws) through tax rulings, to ensure clarity for stakeholders.	The ATO is rolling out a range of improvements to its public advice and guidance that will improve certainty for our clients as a result of a review into its public advice and guidance. Tax and Superannuation Laws Amendment (Measures No 2) 2016. Once enacted will provide the Commissioner of Taxation with a statutory remedial power.
TA8	Listed on Sounding Board	Overhaul Interest on Overpayment (IOP) regime.	The Board is interested in understanding the level of community priority for these proposals and they have been listed for discussion on Sounding Board at https://taxboard.ideascale.com/ .
TA9	To be listed on Sounding Board at a future date	Align amendment periods for FBT, IT and GST.	The Board is interested in understanding the level of community priority for this proposal. It will be listed for discussion on Sounding Board at a future date.
TA10	To be listed on Sounding Board at a future date	Prioritise the project to merge the two ITA Acts.	The Board is interested in understanding the level of community priority for this proposal. It will be listed for discussion on Sounding Board at a future date.
TA11	To be listed on Sounding Board at a future date	Child support payments should be withheld in PAYGW, not garnished off separately.	The Board is interested in understanding the level of community priority for this proposal. It will be listed for discussion on Sounding Board at a future date.
TA12	Still under consideration by the Board	Simplify PAYG-I calculation methods (e.g. basing off accounting profit figures).	This idea remains under active consideration by the Board
TA13	Referred to ATO	The Government should invest in technology that allows people to speak to the same ATO officer handling an issue and remove needs to keep re-identifying themselves and their issue during the same phone call.	The Board has referred this item to the ATO.
TA14	Considered via the Government's tax reform process	Treat fully franked dividends as exempt income for individuals; impose a final withholding on interest and wages. This would take these items out of the compliance system for individual taxpayers.	Changes to the dividend system are a policy consideration for Government, and further discussion of the Dividend system can be found on page 82 of the 'Re:think' Tax Discussion paper.

Idea No.	Status	Description	Reason
TA15	Considered via the Government's tax reform process	Abandon tax treaties for a concept of source based where goods/services are consumed. Digital economy makes historical concepts redundant.	Changes to the application of tax treaties are a policy consideration for Government and further discussion of the taxation of Inbound and outbound investments can be found on pages 90 – 93 of Treasury's 'Re:think' Tax Discussion Paper.
TA16	Considered via the Government's tax reform process	Adopt UK system with respect to retrospectivity, that is, tax changes to only have effect from the time of enactment.	Changes to the application of taxation legislation are a policy consideration for Government and further discussion of uncertainty in tax policy, including retrospectivity in tax laws, can be found on page 182 of Treasury's 'Re:think' Tax Discussion Paper.
TA17	Referred to ATO	Return access to PDF forms which have recently been removed from the ATO website.	The ATO is taking a holistic view of all digital services and is already considering this idea as part of the Digital by Default initiative. In the interim there have been a number of improvements made to the online environment to make it easier to complete forms.
TA18	Referred to ATO	Provide 'smart forms' which can be completed on screen and saved in PDF format.	The ATO is taking a holistic view of all digital services and is already considering this idea as part of the Digital by Default initiative. In the interim there have been a number of improvements made to the online environment to make it easier to complete forms.
TA19	Referred to ATO	Government agencies should allow all interactions via electronic means, such as email, portals etc.	From a tax perspective, the ATO has already considered this idea as part of its "Digital by Default" and "Delivering Digital Solutions" initiatives.
TA20	No further action	Currently it is necessary to lodge an objection in order to get Interest on overpayment (IOP) for FBT. Amend law so only an amendment is required to get IOP for FBT.	The Board understands the current system is a necessary integrity measure.
TA21	No further action	Greater use of General Anti-Avoidance Rules such as Part IVA rather than legislating specific anti-avoidance rules.	The Board understands the general preference is to use Part IVA.
TA22	No further action	Abolish the need to file company income tax returns. The ATO knows exactly what the tax payable and book-adjustments will be for large corporates. ATO has admitted that the ITR is never used by case management team.	The Board understands that the need to file company tax returns is a policy consideration and, at this time, cannot be abolished as the ATO use the data for a number of critical purposes, including to detect possible compliance risks, determine the level and nature of interactions required for different taxpayers and in providing advice to government on the potential impact of changes to law. The ATO are continually reviewing and updating the forms to ensure that they provide the relevant data at the least cost to taxpayers, actively working towards obtaining the data it needs in a way that is more closely aligned to the natural business systems of taxpayers and working alongside other agencies to ensure taxpayers only need to provide relevant data once to Government.
TA23	Referred to Government	All payments to Government on one form, maybe tax return? For example ASIC fees.	Referred to Government.
TA24	No further action	The ATO should approach tax agents, not clients directly, if a tax agent has been clearly identified.	The Board understands that addressing tax agents in the first instance is already part of the ATO's taxpayer communication protocols.
TA25	Referred to IGT	Investigate allegations of misuse of creditor's statutory demand regime provisions by the ATO.	Allegations are not a proposal for tax regulation reform or policy. Furthermore, the ATO's approach to debt management, including disputed debts, has recently been subject to review by both the Inspector-General of Taxation (IGT) in his report 'Debt Collection by the Australian Taxation Office' and considered by the House of Representatives Standing Committee on Tax and Revenue. There were no recommendations from the either the IGT or the Committee relating the ATO's approach to the collection of disputed debts using Creditors Statutory Demands for Payment (s459E) or wind-up.
TA26	No further action	Penalties and interest charges on outstanding ATO issues are excessive. Penalties issued for tax non-compliance are set via legislation though in some circumstances the Commissioner of Taxation has the discretion to waive the penalty.	Changes to the tax penalties and interest regime are a policy consideration for Government.
TA27	No further action	Issue ABNs to individuals.	The Board understands the ATO have already established protocols to deal with the issuing of ABN's to individuals.

Idea No.	Status	Description	Reason
TA27	No further action	Examine whether a centralised safe-harbour schedule listing the tax treatment of various allowances and benefits could be attached to each EBA or award (rather than have them scattered across numerous tax rulings) to assist in compliance.	The Board has referred this to the ATO and/or Fair Work Australia for their consideration as it would be a large cross-Government project.

Fringe Benefits Tax Ideas

Idea No	Status	Description	Reason
FBT1	Possible future consideration by the Board	Current FBT compliance costs are disproportionate to the revenue raised – reduce scope, simplify calculations and reduce reporting requirements. Amend regime so that the tax is taxed in the hands of the employee rather than employer.	The Board convened an FBT working group in 2015 to examine the complexity of the FBT regime and identify areas requiring simplification. The Board wrote to Treasury following its review and made specific recommendations in relation to the treatment of entertainment expenses and car parking. It also recommended a ‘root and branch’ review of the entire FBT system be undertaken.
FBT2	Possible future consideration by the Board	Currently employers who lodge through a tax agent receive an automatic FBT lodgement extension from 21 May to 25 June. This automatic lodgement extension should be extended to large FBT payers that do not lodge through a tax agent.	
FBT3	Possible future consideration by the Board	Introduce grouping provisions in the FBT law to allow employers to be grouped for FBT reporting purposes. This will mitigate the requirement for employers to track and attribute benefits provided to employees if their employment transferred during the course of an FBT year or if other employers in the group provided benefits to them.	
FBT4	Possible future consideration by the Board	Remove the following declarations and elections, with incidental evidence used to substantiate the benefit: <ul style="list-style-type: none"> • No private use declaration (Section 47A) • Meal entertainment method election (Division 9A) • Car parking fringe benefit elections (Division 10A) • Entertainment facility leasing election (Section 152B) • Relocation transport declaration (Subsection 61B(c)). 	
FBT5	Possible future consideration by the Board	Increase the reportable fringe benefits amount threshold in section 135P(1) from \$2,000 to \$5,000 and only have it apply if the taxable value of a single benefit provided to an employee exceeds the threshold, rather than the cumulative total taxable value of all benefits.	
FBT6	Possible future consideration by the Board	The cost of residential accommodation in remote areas that is owned or leased by an employer and made available to employees is exempt from FBT under section 58ZC. However, where the lease is in the name of an employee, and their employer reimburses them the rent, the taxable value can only be reduced by 50% under subsection 60(2A). Remove difference by making both FBT exempt.	
FBT7	Possible future consideration by the Board	Amend the section 136 definitions of “extended travel expense payment benefit” referred to in subsection 24(d) and “extended travel residual benefit” referred in subsection 52(d) so that a travel diary is only required to be maintained if the duration of travel is for 21 days or more, in line with the ATO’s accepted view in MT 2030.	
FBT8	Possible future consideration by the Board	Introduce a reportable fringe benefits amount exemption in respect of Board fringe benefits.	
FBT9	Possible future consideration by the Board	Increase the \$300 minor benefit limit to \$500.	
FBT10	Possible future consideration by the Board	Increase the safety award exemption limit to equal the minor benefits exempt limit (currently \$300). The current exemption limit of \$200 was set in 1987 and has not been adjusted to reflect inflation.	
FBT11	Possible future consideration by the Board	Expand the service award exemption to cover awards for continual service of 10 years or more. The current exemptions (which were introduced in 1987) only apply to awards for continual service periods of 15 years or more.	
FBT12	Possible future consideration by the Board	Increase the exemption limits in respect of service awards to reflect the fact that the value is likely to increase the longer the period of service. Currently a \$1,000 exemption limit applies to service awards for 15 years of continuous service, with an additional \$100 per year of service over 15 years. Alternatively, an exemption should be available up to the exemption limit if the award is over the limit.	

Idea No.	Status	Description	Reason
FBT13	Possible future consideration by the Board	Repeal FBT and have valuation rules in a schedule to the ITAA.	<p>The Board convened an FBT working group in 2015 to examine the complexity of the FBT regime and identify areas requiring simplification. The Board wrote to Treasury following its review and made specific recommendations in relation to the treatment of entertainment expenses and car parking. It also recommended a 'root and branch' review of the entire FBT system be undertaken.</p>
FBT14	Possible future consideration by the Board	Place individual fringe benefits on an individual's employer tax notification certificate which would be conflated with the reportable fringe benefit compliance obligations. This would be taxed at the top marginal rate (paid by the company). The company would also be taxed on the top marginal rate for non-Individual employees Fringe benefits.	
FBT15	Possible future consideration by the Board	Apply some sort of advance pricing agreement or advance compliance agreement model to FBT.	
FBT16	Possible future consideration by the Board	Repeal the benefits provisions in respect of FBT and just have one minor benefit provision that relates to them all.	
FBT17	Possible future consideration by the Board	Businesses should have the option to consolidate FBT returns for all legal entities.	
FBT18	Possible future consideration by the Board	Remove legislation to pay FBT on the entire amount of Living Away From Home Allowance (LAFHA) benefits payable to employees.	
FBT19	Possible future consideration by the Board	Compliance with full FBT legislative requirements (for LAFH declarations, minor benefits exemption, travel diaries, infrequent private use of car, no private use declarations etc.) are relaxed where it can be demonstrated sound process/due diligence was employed (i.e. introduce safe harbours).	
FBT20	Possible future consideration by the Board	Provision of temporary accommodation to expatriates inbound from overseas has become fully subject to FBT from 1 Oct 2012. Recommend this become eligible for a reduction in taxable value effectively to nil under section 61(C)(1) of the Fringe Benefits Tax Assessment Act 1986 akin to accommodation provided to Australian based employee relocating for work. Will reduce unnecessary complexity.	
FBT21	Possible future consideration by the Board	Increase minor benefit threshold to \$1,000.00 but retain the irregularity and infrequency provisions (Long Service Award provisions could then be scrapped) making compliance easier and giving more scope for staff incentives.	
FBT22	Possible future consideration by the Board	Amend FBT legislation to allow an FBT exemption based on the 'otherwise deductible rule' for courses subject to FEE-HELP arrangements. Employers would be encouraged to further invest in the education and training of their workforce.	
FBT23	Possible future consideration by the Board	Fringe benefits provided to outbound expats who remain tax residents of Australia are subject to FBT. Would be of benefit to both employers and the ATO if a safe harbour or tax determination (similar to that issued for travel allowances) could be used to value these benefits in the absence of (often nearly impossible to obtain) actual information.	

Trusts Ideas

Idea No	Status	Description	Reason
TI1	Actioned via other avenues	Develop simplified 'non-trap' safe harbour rules to fulfil trust resolution requirements for tax purposes rather than strict reliance on the trust deed.	The ATO has provided practical guidance to help trustees meet their obligations. In particular, a ' Resolution Checklist ' was published on the ATO website. The ATO is also looking to bolster this content with further examples of situations typically faced by trustees. See Trust tax-time toolkit for further information.
TI2	To be listed on Sounding Board at a future date	Based on the ATO DIS in response to <i>Colonial First State Investments v FCT</i> , demarcation between fixed and non-fixed trusts presents a risk that trusts are presumed non-fixed unless the Commissioner exercises discretion. Provide certainty in respect of trust loss provisions.	The Board is interested in understanding the level of community priority for this proposal. It will be listed for discussion on Sounding Board at a future date.
TI3	Still under consideration by the Board	A trustee may face multiple, but separate assessments for a year of income, derived from the lodgement of a single tax return. It is the Commissioner's current practice not to issue a Notice of Assessment (NOA) to a trustee unless there is a positive amount of tax to which the trustee is to be assessed. Due to this practice, the Commissioner is unable to impose Shortfall Interest Charge (SIC) in circumstances where the Commissioner later assesses a trustee to a positive amount of tax.	This idea remains under active consideration by the Board.
TI4	Still under consideration by the Board	Industry practice of looking through bare trusts so that the relevant tax amounts fall for consideration at the beneficiary level (that is, ignoring the trust for Division 6 purposes) is not generally supported by the law (except in the limited circumstances recognised in <i>Colonial First State Investments Ltd v FCT</i>). This means that contrary to significant industry practice, where a bare trust has made a loss, this is not available currently as an expense of the beneficiary.	This idea remains under active consideration by the Board.
TI5	Still under consideration by the Board	Review discontinued measure proposed that certain beneficiaries of testamentary trusts such as life tenants would be excluded from the holding period rules to enable them to access franking credits.	This idea remains under active consideration by the Board.
TI6	Still under consideration by the Board	Condense reporting requirements for closely held trusts with the information on tax returns – trustee/beneficiary statement could also be detailed in the tax return.	This idea remains under active consideration by the Board. Further discussion on tax compliance costs for small business can be found on pages 112-113 of Treasury's 'Re:think' Tax Discussion Paper.
TI7	Considered via the Government's tax reform process	Develop separate rules for each type of trust rather than subjecting different trusts to a single set of rules. Income of fixed trusts taxed in accordance with rules applicable to MITs - default position would be taxing beneficiary who has rec'd distribution, or if they haven't, taxing trustee at highest marginal rate - income would retain its character in the hands of beneficiary - non-fixed trusts could elect to be treated as a company for tax purposes.	Changes to the taxation of trusts are a policy consideration for Government. Further discussion on the taxation of trusts can be found on page 112 of Treasury's 'Re:think' Tax Discussion paper.
TI8	Considered via the Government's tax reform process	Introduce US 'S corp' style for SMEs to carry on a business - should feature income streaming and limited liability.	Changes to entities for tax purposes are a policy consideration for Government. Further discussion on the tax implications of different legal structures, including the possibility of introducing a flow-through entity such as a US style 'S-Corporation', can be found on pages 109-110 of Treasury's 'Re:think' Tax Discussion Paper.
TI9	No further action	Provide certainty regarding the extra time allowed for trustees to prepare trust distribution resolutions by implementing instrument that formally allows for the extension.	The Board understands the current set of circumstances is necessary because of interactions with general trust law provisions. The Working Group notes the practical guidance provided by the ATO to help trustees meet their obligations (In particular, the ' Resolution Checklist ' and ' Trust tax-time toolkit ') and understands that the ATO will continue to bolster this content.
TI10	No further action	The requirement to make trust distributions by 30 June each year, rather than being able to make such resolutions after 30 June once accounts have been finalized should be reviewed.	The Board understands the current set of circumstances is necessary because of interactions with general trust law provisions. The Working Group notes the practical guidance provided by the ATO to help trustees meet their obligations (In particular, the ' Resolution Checklist ' and ' Trust tax-time toolkit ') and understands that the ATO will continue to bolster this content.

Excise Ideas

Idea No	Status	Description	Reason
EI1	No further action	For FTC apportionment purposes, current safe harbour confidence levels in PSLA 2010/3 require sample sizes of entire fleets of vehicles, which is overly burdensome. Safe harbour confidence level should be reduced from 95% to 60% and the tolerable error increased from 10% to 20%. This will reduce the number of vehicles that must be sampled to a number that is fair and reasonable.	The ATO considered statistical sampling as part of its current revision of PSLA 2010/3. Refer to PCG 2016/8.
EI2	Out of scope - policy	Streamline the Excise system, it was developed years ago and involves significant paperwork around the registration of sites, often for no excise payable.	The proposal to streamline the Excise system is too broad and may involve policy considerations. The Board welcomes the submission of specific proposals regarding Excise system compliance burdens via its new Sounding Board platform.
EI3	Out of scope - policy	Amend the law to allow FTC claims for fuel used for refrigeration for vehicles regardless of size.	Increasing the availability of FTCs would involve a cost to revenue and is therefore a policy matter for Government.
EI4	Out of scope - policy	Abolish Excise imposed by specific provisions and associated registration that heavily burdens certain petroleum producers for little revenue impact.	The proposal to abolish Excise imposed by specific provisions and associated registration may involve policy considerations. The Board welcomes the submission of specific proposals regarding the Excise system via its new Sounding Board platform.

Petroleum Resource Rent Tax Ideas

Idea No	Status	Description	Reason
PRRT1	Out of scope - policy	Decrease the compliance costs for industry and administration costs for the ATO by applying the 'necessarily incurred' test for expenditure under the ITAA to the PRRT	Application of the necessarily incurred test to PRRT involves policy considerations as any such change may come at a cost to revenue.
PRRT2	Out of scope - policy	For onshore industry, PRRT has high compliance costs for no revenue collection in most instances.	Changes to the application of the PRRT regime involve substantive policy considerations. The Board welcomes the submission of specific regulatory reform proposals regarding PRRT compliance cost burdens via its new Sounding Board platform.

Other Taxes Ideas

Idea No	Status	Description	Reason
OTI1	Referred to Treasury for implementation	Remove maturation requirement for imports of brandy, whisky and rum applied by section 105A of the Customs Act 1901. Provision applies unnecessary administrative burden on importers and the Department of Immigration and Border Protection, whilst the broad definition of brandy, whisky and rum have caused issues with respect to the maturation requirement for other spirits.	Potential for reduction in regulatory burden for affected taxpayers. Referred to Treasury for implementation.
OTI2	Actioned by the Board	Reduce the very strict requirements around the Australian Industry Participation Plans compliance and reporting to a more practical level that takes into account the complexities of large scale project procurement.	The Board has provided this idea to AusIndustry for their consideration.
OTI3	Actioned by the Board	Provide local AusIndustry personnel with the power to make determinations rather than duplicating the bureaucracy in Canberra with the “delegate” approach.	The Board has provided this idea to AusIndustry for their consideration.
OTI4	Actioned by the Board	Reduce the volume and types of evidence required to be submitted as part of the Implementation Report stage.	The Board has provided this idea to AusIndustry for their consideration.
OTI5	Actioned by the Board	Enhanced Project By-Law Scheme (EPBS) concessions appear to be restricted in their application to the extent that they do not appear to be used.	The Board has provided this idea to AusIndustry for their consideration.
OTI6	Referred by the Board	Payroll tax is a handbrake on small businesses that do not trigger the liability. Create a single State payroll tax administration authority through COAG processes & harmonise state legislation. Create collection mechanism using PAYG at the Federal level for allocation of funds to states.	Interactions with State taxes are a substantive policy consideration for Government. The Board wrote to Treasury in 2015 recommending the harmonisation and central administration of State Taxes as part of the ‘Re:think’ Tax Discussion paper. The topic was discussed at pages 129 – 155 of the “Re:think” Tax Discussion paper.
OTI7	Referred by the Board	Harmonise State stamp duty legislation and administrative practices. Further, create central body to administer stamp duty and land taxes on behalf of states. Stamp duty acts as disincentive to property transactions which impacts labour mobility and economic activity.	Interactions with State taxes are a substantive policy consideration for Government. The Board wrote to Treasury in 2015 recommending the harmonisation and central administration of State Taxes as part of the ‘Re:think’ Tax Discussion paper. The topic was discussed at pages 129 – 155 of the “Re:think” Tax Discussion paper.
OTI8	Listed on Sounding Board	Consider a 'pro-forma' system that each of the States could adopt with respect to Royalties. For example, each state has their own system with inconsistent record keeping requirements.	The Board wrote to Treasury in 2015 recommending the harmonisation and central administration of State Taxes as part of the ‘Re:think’ Tax Discussion paper. The topic was discussed at pages 129 – 155 of the “Re:think” Tax Discussion paper. The Board is interested in understanding the level of community priority for these proposals and they have been listed for discussion on Sounding Board at https://taxboard.ideascale.com/ .
OTI9	Out of scope - policy	Increase the Payroll tax threshold from current \$750,000 amount.	State tax thresholds are a State policy consideration, not Federal tax regulatory reform.