



Australian Government  
Australian Taxation Office

## Treating you as being honest | 03



Taxpayers' Charter

## Our commitment to you

We are committed to providing you with advice and information you can rely on.

If you feel this publication does not fully cover your circumstances, please seek help from the Tax Office or a professional adviser.

### **The information in this publication is current at November 2018.**

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at [ato.gov.au](http://ato.gov.au) or contact us.

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We believe most people willingly comply with the laws we administer if they feel they're trusted, treated fairly and get the help they need to understand the law.

We aim to have as many people as possible willingly comply by:

- helping people understand their rights, entitlements and obligations
- making it as easy as possible to comply. We do this by reducing the workload, time and effort involved and by offering products and services to help you; for example, through pre-filling some information into tax returns.

However, sometimes people do not pay the right amount of tax or meet their obligations. This could be because they make a mistake, misunderstand the law or are careless; or it could be because they are intentionally avoiding their obligations.

Whatever action we take in these cases, we aim to be fair and encourage these people to willingly comply in the future.

Where the law allows, we take the reasons a person has not met their obligations into account when we decide what action to take.

See:

- Taxpayers' Charter – What you need to know (QC 18266)
- Taxpayers' Charter – Help you to get things right (QC 18607).

# Treating you as being honest in your affairs

Generally, you prepare and supply the information needed to claim your entitlements and meet your obligations.

We presume the information you provide is complete and accurate, unless we have evidence to think otherwise. You must check the information we have pre-filled in your tax return and update any incorrect information. Based on this information we work out your tax or superannuation position.

If we find a discrepancy, we take your circumstances into account when deciding what action we'll take.

Our considerations include:

- the reasons for the discrepancy
- how well you have complied with your obligations in the past.

We know people can make mistakes. Therefore, we will continue to believe you are trying to be honest in your affairs even if you make a mistake unless we find evidence of:

- intentional disregard of the law
- deliberate avoidance of obligations.

See also:

- 'If you think we haven't treated you as being honest' on page 7
- 'Respecting your right to a review' in Taxpayers' Charter – What you need to know (QC 18266).

## Your circumstances

We take your personal circumstances into account if they are relevant to a decision and the law allows us to. For example, if you have not followed the law it may have been because you did not understand what you needed to do, rather than because you tried to avoid paying the right amount of tax.

Relevant circumstances may include how much you know about and understand the laws and your compliance history.

See 'If you think we haven't treated you as being honest' on page 7.

## Compliance history

Your compliance history means the way you have complied with your obligations in the past.

You have a good compliance history if you have:

- kept appropriate records
- lodged complete and correct returns, statements and other documents
- lodged your documents on time
- paid your tax and superannuation debts by the due date or made arrangements to pay them
- no recent history of penalties for tax or superannuation issues.

# Checking information provided to us

We conduct audits and reviews to verify information.

The laws give us time to review information you have given us. In relation to income tax, for most people we have two years from the date of assessment. For some others with more complex affairs it is four years. When there is evasion or fraud there is no time limit on us amending assessments.

Sometimes we ask you to provide evidence to support what you have told us. If you give us information and then realise it is incorrect, let us know as quickly as possible. You are responsible for the accuracy of the information you give us. This is the same even if someone else, including a registered tax agent or BAS agent, helps you to prepare a tax return or other document.

If you tell us about a mistake that means we owe you money we will pay it to you. We will pay you any interest you are entitled to.

If the mistake means you owe us money, we will ask you to pay the money and may charge you interest. However, in most cases we will reduce any penalty that may apply.

In some cases, time limits set by the law will not allow us to make adjustments.

## Pre-fill information

We receive information and documents from a range of organisations, for example:

- other government agencies
- employers
- financial institutions.

We use that information to partially complete your tax returns by pre-filling, and to match the information you give us in your tax returns and other documents.

If we pre-filled information in your tax return you must check it for accuracy and fix any discrepancies.

For more information on pre-filing, visit [ato.gov.au/prefill](https://ato.gov.au/prefill)

## Community information

People sometimes tell us that other members of the community are not meeting their tax obligations. We consider this information, although the law does not allow us to tell the person who provided it about the outcome of any enquiries.

We treat this information, including the identity of the people who provide it, in strict confidence.

## If we find a discrepancy

If we find a discrepancy when we check your information, we will give you a chance to explain it. In straightforward cases, if the information is incorrect or you have omitted income that should have been included, we make adjustments.

In other cases, we take your explanation into account when we work out if the information you have provided is accurate. We accept that what you tell us is correct – or that you believe it to be correct – unless the facts, circumstances, plausibility or our interpretation of the law indicate otherwise.

If we still think the information you gave us is wrong, we make adjustments. We explain our decision and tell you how you can have the decision reviewed.

For more information, visit [ato.gov.au](https://ato.gov.au) and search for 'dispute or object'.

## Penalties

When we make an adjustment, you may be charged a penalty. You may also have to pay an interest charge. We may remit or reduce penalties based on the circumstances of your case.

In calculating any penalty, we consider whether you took reasonable care providing complete and accurate information. That means the amount of care a reasonable person in your circumstances would take to meet their obligations. For example, that you did your best to lodge a correct tax return or statement.

There are heavy penalties if you deliberately, intentionally or fraudulently disregard your obligations. In many cases you can be prosecuted.

For more information on interest and penalties, visit [ato.gov.au](https://ato.gov.au) and search for 'QC 33412'.

# If you think we haven't treated you as being honest

There may be occasions where you think we are not treating you as being honest.

If you feel this way you should tell the tax officer you are dealing with. If you can't resolve the issue with the officer, tell that officer's manager. If you are not satisfied with the way your concerns have been addressed you can have them independently reviewed by phoning our complaints line on **1800 199 010**.

For more information, see 'Respecting your right to make a complaint' in Taxpayers' Charter – What you need to know (QC 18266).

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