

TAX OFFICE SOLUTIONS- Tax Audit Focus

The ATO now has unprecedented access to data matching that makes it simpler and far more likely that they will audit or review previously untargeted tax payers.

Grahame has the experience to assist clients in the case that they are the target of a tax audit. However, it can be a time consuming and costly exercise to gather, collate and present source documents, check calculations and negotiate with the authorities. We have arranged for Tax Audit Insurance cover to provide our clients with a fixed, cost effective solution to guard against unbudgeted professional fees, which may be incurred as a result of such an audit, review or investigation.

Tax Audit Insurance provides for the payment of the professional fees otherwise payable by you when incurred as a result of this firm being required to respond, on your behalf, to an Audit, Review or Investigation by the Australian Taxation Office (ATO) or other Government body (e.g. State Revenue Office, Payroll Tax, Workers' Compensation).

The Key areas identified in the ATO's Compliance focus for 2013-14 are:

Individuals:

- Individuals who fail to declare income or make incorrect claims for deductions and benefits
- The tax risks associated with the use of complex business structures
- Correct reporting of taxable income

Employers:

- Reporting of PAYG withholding
- Identifying and correctly reporting fringe benefits provided to employees
- Workers incorrectly treated as contractors rather than employees
- Payment of superannuation guarantee

Business

- Misuse of trusts and omitted income
- Shareholder loans
- Using business funds and assets for personal purposes
- Capital gains tax non-disclosure and under-reporting

- Small business cash economy, Bartercard and PayPal systems
- Small business benchmarks
- Taxable payment reporting in the building and construction industry
- GST – refund integrity and real property transactions

Self-Managed Superannuation Funds

- Use of prohibited loans
- Related party transactions
- Funds with a history of non-compliance
- Incorrect reporting of exempt pension income, tax losses and non-arms length transaction

[View more Nash Solutions articles](#)