



COMMISSIONER'S PRACTICE TAA 14.0

APPLICATIONS FOR REASSESSMENT

Commissioner's Practice History

Commissioner's Practice	Issued	Dates of effect	
		From	To
TAA 14.0	23 December 2003	23 December 2003	30 June 2008

This Commissioner's practice outlines the circumstances when an application by a taxpayer for a reassessment will be considered and how an application is to be made.

Background

Section 16 of the *Taxation Administration Act 2003* ("TAA") allows the Commissioner to make a reassessment of tax. A reassessment supersedes any earlier assessment and may increase or decrease the amount of tax payable.

Section 16(1) of the TAA places a mandatory obligation on the Commissioner to make a reassessment:

- when specifically required to by a taxation Act;
- at the direction of a court or tribunal hearing an appeal under section 41 of the TAA; or
- when circumstances relevant to a rebate or refund of tax were not taken into account when a previous assessment was made.

Section 16(2) of the TAA includes a discretionary power that allows the Commissioner to make a reassessment if it appears to him a previous assessment is incorrect, or upon an application being made by the taxpayer.

Section 17 of the TAA gives a time limit for reassessments. A taxpayer may not apply for a reassessment if a period of five years has passed since the original assessment was made. However, this time limit does not apply to reassessments directed by a court or tribunal after hearing an appeal under section 41 of the TAA.

There is also no time limit on the Commissioner making a reassessment if there are reasonable grounds to suspect the assessment was based on false or misleading information, or tax evasion has occurred.

Where an assessment was based on a particular legal interpretation or practice of the Commissioner that applied at the time the assessment was made, section 16(5) of the TAA prohibits the Commissioner from making a reassessment based on a revised interpretation or practice.

Commissioner's Practice

Method of application for reassessment of tax

1. The Commissioner will generally accept verbal applications for reassessments (usually by telephone) when:
 - 1.1. an exemption for land tax for a land owner's primary residence has not been correctly included in an assessment notice;
 - 1.2. a land tax assessment notice incorrectly lists the land owned by a taxpayer at 30 June of a year;
 - 1.3. the Commissioner has made a simple error on an assessment notice. Examples would be transposition errors or failure to allow for a specified rebate despite an application form having been lodged; or
 - 1.4. a taxpayer who self assesses their tax has made a simple error on a return. An example would be a transposition error when including wages in a pay-roll tax return.
2. Other reassessment applications may be made to the Commissioner by:
 - 2.1 written correspondence (ie. letter);
 - 2.2 email;
 - 2.3 facsimile; or
 - 2.4 internet services (eg. Revenue Online).

Reassessments may also be initiated by the Commissioner.

Issues in dispute

3. Where there are matters in dispute as a result of an assessment, the objection provisions in the TAA are available for taxpayers to seek a review of the facts and law applying to the decision. Should the taxpayer remain dissatisfied with the objection decision, a right of appeal exists to the relevant court or tribunal.

4. The reassessment provisions are not intended to be a quasi-review process, which is reflected by the provisions of section 16(5) of the TAA. Where a matter is one that requires the Commissioner to consider either an alternative interpretation of the law or a matter that is not consistent with a Commissioner's practice, a taxpayer should pursue the matter as an objection within the specified objection time periods. Section 16(5) otherwise precludes the Commissioner from making a reassessment on these matters.

Provision of additional information

5. The provision of additional information after an assessment has been made will generally be taken to be a reassessment request, unless it is clear that the taxpayer has lodged a formal objection.

Written submissions not qualifying as objections

6. If a taxpayer's written submission does not meet the requirements of the objection provisions, the matter will be considered as a request for a reassessment of tax (subject to the relevant time and other restrictions being met) and will be actioned accordingly.

Date of Effect

This Commissioner's practice takes effect from 23 December 2003.

Bill Sullivan
COMMISSIONER OF STATE REVENUE

23 December 2003