

Media Release

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Standard deductions may mean NO deductions!

For many years, the humble tax agent, who consistently and legitimately has been able to claim \$'000s more in tax deductions than taxpayers doing it on their own, has been a thorn in the side of the Government and the Tax Office.

This is the background to the new 'standard deductions' and the Government's and Tax Office's desire to try and elbow tax agents to the sidelines – tax agents claim too much and they don't like it.

So, taxpayers applauding the proposed introduction of 'standard deductions' may rue the day they allowed the Government and Tax Office to lead them down this slippery slope.

"A slippery slope that we believe will inevitably lead to the abolition of Tax Returns and Tax Refunds", said Andrew Gardiner, spokesperson for the NTAA.

"The Treasurer himself has forewarned that this is a 'step' towards a tick and flick system of returns. If it is this Government's first step, what's next?"

Taxpayers love receiving their annual income tax refund. It's a form of self-imposed, forced savings. If taxpayers want to ensure they continue to receive their refunds, they would be better off to reject this proposal for standard deductions **outright**, unless they make sure it comes with an **iron-clad guarantee** that their right to receive annual tax refunds is permanently locked into law.

"History is our teacher", said Andrew, "and history teaches us that you cannot trust Governments that bring in standard deductions".

"In the 70's, taxpayers were entitled to claim deductions for doctor, medical, hospital and chemist expenses, education of dependants and self education, life insurance, rates and taxes on their home, and a deduction for funeral expenses."

"However, the government of the day criticised the tax system as too complex and introduced a 'standard deduction'. That deduction was turned into a rebate and then the rebate was abolished completely. The right to all of these deductions was taken by stealth. Never to be seen again."

"Unless we are careful, the same will happen here", warned Andrew Gardiner.

"Taxpayers must reject these measures unless they come with an iron-clad guarantee that any future adjustments to the system will retain tax returns and tax refunds, and also maintain the taxpayer's right to claim deductions in excess of 'standard deductions' where they have the necessary records."

Andrew Gardiner, Spokesperson for the NTAA

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