



PRACTICE STATEMENT No. 32

SUBJECT	INLAND REVENUE SERVICE: TAX AGENT LODGEMENT PROGRAM FOR 2009 RETURNS
DATE OF EFFECT	1 January 2010
CONFIDENTIALITY STATUS	May be released to the public
LEGISLATIVE REFERENCES	Section (5)(2) <i>Tax Administration Decree</i> (Dec No.50 of 2009)
PRACTICE CO-ORDINATOR	National Manager Debt Management/Lodgement Enforcement Unit.

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INTRODUCTION

1. This statement sets out the practice of the Taxation Division in relation to the administration of the Tax Agent Lodgement Program for 2009 and subsequent year's income tax returns.
2. A lodgement program is a system where tax agents lodge income tax returns progressively over a period rather than all at once in accordance with the statutory due date. The objective of a lodgement program is to smooth the workload of tax agents and the tax office, while at the same time providing Government with the revenue it needs to operate.
3. The income tax law requires returns to be lodged by a certain date. For the fiscal year ended 31 December 2009, the majority of returns must be lodged by 31 March 2010. This single lodgement date causes a spike in the workload of tax agents and IRS Operations staff (such as assessors and processing staff). This leads to pressures and inefficiencies for both tax agents and the IRS.
4. The Team Leader, Lodgement Enforcement Unit (LEU) has been delegated the power to extend, under section 5(2) of the *Tax Administration Decree*, the due date for lodgement of returns from that specified in the law to a later date (so that a taxpayer will not be prosecuted during this extension period). **This Practice Statement embodies an exercise of that delegated power to extend the due dates for returns prepared only by registered tax agents.** The extended due dates are set out in a schedule at the end of this Statement.
5. This Practice Statement only covers returns for the year ended 31 December 2009 and beyond.

DETAILS OF LODGEMENT PROGRAM

6. The Lodgement Program only applies to taxpayers who are the clients of a registered tax agent as at 31 December 2009. The "chargeable income" figure in the following table is the chargeable income disclosed in the return (or as subsequently amended) of the most recent year lodged.
7. The following taxpayers cannot be part of the Lodgement Program because of their nature:
 - Visiting entertainers and other special taxpayers (TIN series 27).

8. If a taxpayer uses a substituted accounting period (SAP), they can also use the Lodgement Program, but the extension period runs from the last day of their fiscal period. For example, if the table allows a 30 September 2010 lodgement date for a taxpayer with a fiscal period ending on 31 December 2009, a taxpayer with a period ending 30 June 2010 can use the Lodgement Program to lodge by 31 December 2010.
9. The date granted under the Program is the revised due date. If a taxpayer or agent wished to lodge earlier than that date they may find this more convenient.
10. If a taxpayer lodges under the Program on the basis of a certain level of chargeable income payable, that level of chargeable income may be adjusted upon assessment, audit or if further information later comes to light. In such cases late lodgement penalty will be charged for the period from the actual lodgement date to the date required for lodgement for the actual (adjusted) level of chargeable income.
11. The Lodgement Program does not apply where the IRS requires a return in order to process an application for a tax clearance.
12. A taxpayer who is not covered by the Lodgement Program is subject to the normal statutory due date for lodgement required by the Decree. Outside the Lodgement Program, Practice Statements No. 1 and 2 continue to operate. A taxpayer who is not covered by the program may request a remission of late lodgement penalty under Practice Statement No 1. or an extension of time to lodge under Practice Statement No. 2.
13. This practice statement supersedes any earlier statement issues in respect to the Tax Agents Lodgement Programme.

TAX AGENT LODGEMENT PROGRAM
DUE DATES FOR RETURNS FOR 2009 TAX YEAR

Category	Type of taxpayer	Last due date for lodgement under the program
1	Individual not subject to provisional tax (salary & wage earners, or individuals with a rental loss)	The last day of the 6 th month after the statutory due date
2	Individual subject to provisional tax (sole traders, partners, beneficiaries, trustees and individuals receiving dividend, interest or rental income)	<ul style="list-style-type: none"> ▪ The last day of the 2nd month after the statutory due date, if chargeable income is greater than \$50,000 ▪ The last day of the 4th month after the statutory due date, if chargeable income is between \$20,001 -50,000 ▪ The last day of the 6th month after the statutory due date, if a loss or chargeable income nil to \$20,000
3	Public company or listed unit trust, private company or co-operative	<ul style="list-style-type: none"> ▪ The last day of the 2nd month after the statutory due date, if chargeable income is greater than \$50,000 ▪ The last day of the 4th month after the statutory due date, if chargeable income 20,001 - \$50,000 ▪ The last day of the 6th month after the statutory due date, if a loss or chargeable income nil to \$20,000
4	Trustees	Trustee should lodge a return, in their capacity as trustee of a trust, by the same date as that trust (per the dates in Items 5-6 in this column).

Category	Type of taxpayer	Last due date for lodgement under the program
5	Deceased estates (TIN series 70)	<ul style="list-style-type: none"> ▪ 30 June 2010, if taxpayer's date of death occurred from 1 January 2009 to 30 June 2009 ▪ 30 September 2010, if taxpayer's date of death occurred from 1 July 2009 to 31 December 2009
6	Inter vivos trusts, including trading trusts (TIN series 75)	<ul style="list-style-type: none"> ▪ The last day of the 2nd month after the statutory due date, if net income is greater than \$50,000 ▪ The last day of the 4th month after the statutory due date, if net income 20,001 - \$50,000 ▪ The last day of the 6th month after the statutory due date, if a loss or net income nil to \$20,000
7	Partnerships	<ul style="list-style-type: none"> ▪ The last day of the 2nd month after the statutory due date, if net income is greater than \$50,000 ▪ The last day of the 4th month after the statutory due date, if net income 20,001 - \$50,000 ▪ The last day of the 6th month after the statutory due date, if a loss or net income nil to \$20,000

Tax Agent Lodgement Program (TALP) - CIRCULAR

This program will cover the lodgement of 2009 and 2010 Income Tax returns for the years ending 31st December 2009 and up to 30th November 2010 or the equivalent substituted financial period and it will be guided by Practice Statement # 32.

You are advised to forward a list of all clients strictly by the dates due as stated below.

Financial Year End (2009 Tax Year)	Tax Year	Due Date
31 December 2009	2009	29 January 2010
31 January 2010	2009	26 February 2010
28 February 2010	2009	31 March 2010
31 March 2010	2009	30 April 2010
30 April 2010	2009	31 May 2010
31 May 2010	2009	30 June 2010
30 June 2010	2009	30 July 2010
Financial Year End (2010 Tax Year)	Tax Year	Due Dates
31 July 2010	2010	31 August 2010
31 August 2010	2010	30 September 2010
30 September 2010	2010	29 October 2010
31 October 2010	2010	30 November 2010
30 November 2010	2010	31 December 2010

In respect to your new client's, please attach a "Letter of Authority" from the taxpayer together with the new client listing which is to be forwarded to this office by the dates due for each financial year separately.

Moreover, you are required to provide a copy of the approval from the Commissioner of Inland Revenue, in instances where your client has elected for a change in the accounting period.

The client list submitted to this office should only include the taxpayers who are already registered for tax purposes. It is strongly suggested that your new clients must first be registered at the Customer Service Centre in each District office before submitting the list.

Please note that the Commissioner of Inland Revenue will not consider any requests for further extensions beyond the date already extended under the Tax Agents Lodgement Program as sufficient time would have been given for the preparation of the accounts. Enforcement action will be instituted if the tax returns remain outstanding after expiry of the due date. Statutory penalties will apply if the tax returns are lodged after the extended due date.

For all matters/queries regarding the Tax Agent Lodgement Program, please contact the Team Leader Auditor - Lodgement Enforcement Unit Mr. Keshwa Mani on 3243960.