

## Australian Taxation Office proposes expansion of Reportable Tax Position schedule requirements to private groups

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On 8 July 2019, the Australian Taxation Office (ATO) issued a consultation paper ([LINK](#)) on a proposal to expand Reportable Tax Position (RTP) schedule requirements to large private companies and corporate groups.

From the 2018 income year, the completion of the RTP schedule has been required by all public and multinational groups meeting the following criteria:

- ▶ Total business income greater than AU\$25m
- ▶ Part of an economic group with total business income greater than AU\$250m

The consultation paper proposes that existing thresholds be maintained, which would be broadly applied to all corporate entities, whether private or otherwise, including standalone entities with total business income in excess of AU\$250m. There is no intention to include trusts or individuals at the current time.

Preparation of the RTP schedule requires self-assessment regarding the following disclosures for current and future income years:

- ▶ **Category A disclosures:** Tax uncertainty with respect to certain positions reflected in the taxpayer's income tax return
- ▶ **Category B disclosures:** Tax uncertainty reflected in financial statements relating to taxes payable or recoverable disclosures
- ▶ **Category C disclosures:** Specific issues covered by RTP Category C questions which are based on ATO guidance such as taxpayer alerts, along with common ATO observations

Information collected is used by the ATO to: (i) better understand tax risks for taxpayers; (ii) tailor ATO engagements; and (iii) identify areas of uncertainty within the application of tax law.

The paper proposes these changes apply to RTP schedules for income years ending on or after 30 June 2020 with first filings due during 2021.

There are a number of consultation questions for feedback, including:

1. If proposed start date is appropriate/sufficient
2. Whether proposed thresholds pose any concerns to private entities
3. Any concerns relating to application of income tests
4. Under what circumstances should RTP preparation exemptions be granted
5. Challenges in applying category C questions
6. What difficulties would be encountered in disclosures relating to arrangements set up in prior years

Comments are due by 5 August 2019.

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