

Case Studies of Audit Activity



Australian taxpayers, in the form of businesses, individuals and Self Managed Superannuation Funds, are constantly finding themselves at the mercy of the Australian Taxation Office (ATO) or other government revenue agencies in relation to audits, enquiries, investigations or reviews.

Below are a few examples of Audit Shield clients who filed honest declarations, however, were still sought after by the ATO. Luckily they participated in the Audit Shield service and avoided the costly ramifications.



Payroll Tax Investigation

A Queensland based entity was selected in respect of whether or not the right amount of payroll tax was paid and whether grouping was relevant. All queries with regard to grouping were satisfactorily responded to but the client was still found to have slightly understated one contractor payment and some minor superannuation which resulted in the authority issuing an assessment for \$1,553.

End Result

Fees of \$8,801 were fully covered by Audit Shield.



Stamp Duty Enquiry

The matter was in respect of a Deed of Settlement which the OSR argued that it should have been subject to Stamp Duty for this Western Australia based Audit Shield participant. It was deemed that Stamp Duty should have been paid on the transaction and an assessment was issued for \$13,490. Penalties were successfully argued down to nil.

End Result

Fees of \$1,210 were fully covered by Audit Shield.



Income Tax (CGT) Review

A review of the use of CGT Small Business Concessions on a gain of around \$5 million reduced down to around \$450,000 was conducted on a Tasmanian based client.

After providing all the responses and obtaining legal advice to further validate the clients position, the outcome was that the ATO accepted the returns as lodged.

End Result

Fees of \$9,625, including \$1,671 of legal fees, were fully covered by Audit Shield.



Land Tax Audit

A New South Wales based client completed a questionnaire in regards to their land holdings to determine whether they were liable for Land Tax.

Their property was found not to be primary production land and the client was assessed for \$4,300 worth of Land Tax.

End Result

Fees of \$2,708 were fully covered by Audit Shield.

If you would like to learn more about our Audit Shield service, please talk to your accountant.