



Tax agent claims family pet as guard dog, gets booted by TPB

Article by Jotham Lian: 11 April 2019

The Tax Practitioners Board has terminated two tax agent registrations after a joint investigation with the ATO found that they were over claiming expenses on behalf of their clients.

Wollongong tax agents DW & AR McNeice and David Warren McNeice have had their tax agent registrations cancelled by the TPB.

Mr McNeice was a partner and the supervising tax agent for the partnership DW & AR McNeice. He has been prohibited from reapplying for registration for five years.

The ATO had referred Mr McNeice to the TPB after it identified his behaviour through its compliance activities.

Among some of the claims made by Mr McNeice's clients include claiming family pets as guard dogs, claiming food purchases as staff and client amenities, and claiming personal training and school fees as training and conference expenses.

The TPB also found personal training sessions claimed by a sales agent and depreciation on a household fridge claimed by a plumber on the back of advice from Mr McNeice.

Adverse comments were made by the Administrative Appeals Tribunal (AAT) against Mr McNeice in several appeals that DW & AR McNeice had lodged on behalf of its clients between 2010 and 2014.

One of such cases involved Mr McNeice acting on behalf of an IBM salesman who tried to claim \$5,388 for paying his seven-year-old son for secretarial services by answering the phone.

That particular case also saw the taxpayer try to claim a \$383 deduction for a pair of R.M. Williams rubber-soled shoes to “protect against continual shocks from static electricity” when working with computers.

The TPB found that the partnership breached the Code of Professional Conduct that applies to all registered tax agents by failing to provide tax agent services competently.

This includes showing intentional disregard to taxation laws and advice by the ATO and repeatedly making claims for his clients without substantiation or merit.

TPB chief executive, Michael O'Neill, said Mr McNiece's conduct did not accord with the TPB's view of what constitutes a fit and proper person and said the decision was taken to protect consumers and maintain the integrity of the registered tax practitioner profession.

'Tax practitioners must undertake their role truthfully, accurately and competently to uphold the integrity of the profession and what is ultimately best for taxpayers and the overall integrity of the tax and super systems,' Mr O'Neill said.

The TPB has been seeing an [increase in the number of cases relating to subsection 30-10\(7\)](#) (tax agent services are provided competently) as a result of the ATO's crackdown on the expenses front.

Last year, the TPB's compliance work for the 2017-18 period resulted in a total number of 287 sanctions, including 24 terminations.

