

I am an accountant on the Central Coast, and I've just finished reading the the no 52 weekly tax bulletin and read that the government wants to continue with some Labor policies, in particular the elimination of the Net Medical Expenses Tax Offset.

To begin with, I found the thought of this offset being eliminated ghastly and it was one reason that I voted for the coalition. Now I find that the government wants to continue with this ghastly state of affairs. I made my concerns known to my clients urging them to vote accordingly. So why do I oppose this? In my practice there are some elderly clients who pay nursing home fees. These currently are within the medical offset, and it helps these clients to not only NOT pay taxes in their 80's and 90's but in some cases allows them not to submit and hence bother about doing a tax return. Without this offset, I'll see clients who are in no way capable of tax return completion coming in again and having to do returns for basically a few hundred dollars to increase the governments' coffers. I read the reasons in the tax weekly bulletin and found them to be wanting. 1. There is no need for the offset to give immediate benefit, as by its nature not determined until all the years medical costs are totaled due to the minimum amount that needs to be achieved before the offset is even thought of. Not one of my clients with large medical expenses ever complained about the need to be able to get a benefit "on the spot". 2. As for those who have high medical expenses and little or no tax, the solution is simple - make the offset like the imputation credits, if there is no tax, then the offset is given to the taxpayer in cash. Despite the transitional arrangements, and for the sake of older, much older, Australians, don't eliminate the offset - modify it to only apply to certain retirement medical expenditures, but please don't eliminate it totally.

Yours Truly,

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