

Administrative approaches to tax dispute resolution: Alternative perspectives from Australia and Russia

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Abstract

Tax disputes frequently imply a certain degree of asymmetry between the taxpayer and the tax authority in terms of resources and power. Accordingly an effective system of tax dispute resolution is essential for the fair, competent and independent determination of such disagreements. However practice in many countries often falls far short of such ideals. This article compares and contrasts the processes of tax dispute resolution in two countries with very different experiences in this area, specifically focusing on administrative aspects of tax dispute resolution within the revenue authorities in Australia and Russia.

The article notes that though there are certain similarities between the approaches of the Australian and Russian revenue authorities to the internal review process, there are rather more differences. It argues, however, that a mandatory internal review procedure recently introduced in Russia has certain parallels with the Australian experience and will draw the Russian practice closer to that prevailing in Australia. Using the broader Australian and Russian tax dispute resolution systems as points of reference, the article develops a set of criteria, or ‘qualities’, which it is argued should underpin any system of tax dispute resolution and evaluates the experiences in those two countries against these criteria. It concludes that neither country is able to fully satisfy the criteria and that each may have lessons to learn from the other.

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