

## A World of Choice

### Dealing with tax

In different corners of the world clearly there's the potential for great capital returns and high rents, yet what must be considered is how the income will be taxed.



The Australian Government taxes individuals on worldwide income and will assume that any person owning property in another country will be receiving a return, according to international lawyer Michael Bula who has seen too many clients believing an overseas asset will not be identified by the government.

“You’d be surprised how many people rent out a place, get some money and then think the ATO will never find out. Guess what happens? Four to five years later they get a notional tax letter saying ‘hello, we’ve received notice from the French tax office – we know you have a property so you must be making a profit from it. Prove otherwise, or we’ll knock on a 200 per cent tax penalty’.”

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