

Finding it difficult to pay your tax?

What you need to know if you owe tax or are having difficulty paying on time.



What to do if you're having difficulty paying on time

Tax is collected so the government can provide the services the community expects. Most people try to do the right thing in paying their tax, but we understand it can sometimes be difficult.

If you owe tax or are finding it difficult to pay on time, it is important to contact us early. We will work with you to solve the problem.

Many taxpayers overestimate the size of the problem. We've found that most tax and superannuation debts can be resolved quickly. There are ways we can help you get back on track and pay your debt as soon as possible.

! If you don't pay your tax on time, general interest charge (GIC) will accrue from the due date until the amount is paid in full.

It's important to lodge, even if you can't pay

You should lodge your activity statements and tax returns on time, even if you are unable to pay by the due date.

If you don't lodge on time, you may be charged a penalty.

If you're unable to lodge on time, contact us early and we may be able to give you an extension.

- >** Phone us between 8.00am and 6.00pm, Monday to Friday:
- businesses – **13 28 66**
 - individuals – **13 28 61.**

Making a payment arrangement

If your debt is less than \$25,000, you can use our 24-hour automated service to arrange a late payment or to pay by instalments.

You will need your tax file number or Australian business number when using this service. You will be asked to propose a payment arrangement and specify the date for your first payment. If we accept your arrangement, you will receive a confirmation letter and personalised payment slips.

- **To use our 24-hour automated service, phone:**
 - **businesses – 13 72 26**
 - **individuals – 13 28 65.**

Alternatively, you can phone us on 13 11 42 between 8.00am and 6.00pm, Monday to Friday to discuss your tax debt or make a payment arrangement.

For debts less than \$25,000, you can use our online payment arrangement calculator to manage your financial situation. You can calculate affordable and sustainable payment arrangement scenarios for your tax obligations.

- **Visit www.ato.gov.au/calculators for more information.**

- ⚠ **Even if you have made a payment arrangement with us, GIC will accrue on the unpaid debt from the original due date.**

How to pay

You can make a payment using the following options.

- BPAY® – make a payment directly from your cheque or savings account to us using your financial institution's telephone or internet banking service.
- Credit card – use your current Visa, MasterCard or American Express card to pay via the Government EasyPay website or call **1300 898 089** to pay via the Government EasyPay telephone service.
- Direct credit – transfer your payment to us online from your cheque or savings account.
- Direct debit – have your payment automatically deducted from your cheque or savings account.
- Mail – mail your payment slip together with a cheque or money order to us.
- Australia Post – pay by cash (up to \$3,000), cheque or EFTPOS at your Post Office (subject to daily limits). You must present your payment slip with your payment.

➤ Visit **www.ato.gov.au/howtopay** for more information.

Avoiding debt in the future

Our research and experience shows there are many things you can do to avoid getting into debt.

Follow our simple tips.

- Understand your tax obligations and budget for your tax.
- Keep money aside from a capital gain when selling an asset such as property or shares.
- If you are collecting GST, always keep it in a separate account.
- Update your financial records regularly (at least once a month).

We encourage you to contact us if you have any questions about your tax. You could also visit a financial adviser or accountant for advice.

- You can obtain free advice from government-funded financial counsellors across Australia. The Australian Financial Counselling and Credit Reform Association can direct you to a local counselling agency. Visit www.afccra.org for more information.

Assistance for individuals

- You can visit our website at www.ato.gov.au to access information, including a range of tools and services, to help you better understand and meet your tax obligations.
 - www.ato.gov.au/calculators – estimate whether you owe us money for this financial year using our tax calculators.

Assistance for small businesses

We offer a free, confidential and practical support service aimed at keeping your business on track, or helping you get back on track. It gives you access to experienced tax officers who can answer your questions and help you get on top of your tax issues.

Most businesses contact us to get help with:

- managing records and paperwork
- lodging correct activity statements on time
- managing employer obligations (pay as you go withholding, superannuation guarantee and fringe benefits tax).

In addition to phone support, we offer on-site visits and local seminars and workshops. On-site visits take place at a location of your choice. Any information you share with us during the on-site visit is completely confidential. Our focus is to help you manage your tax, not look for evidence to conduct an audit.

- **To arrange a free on-site visit:**
 - use our online booking form at **www.ato.gov.au/assistancevisit**
 - phone us on **13 28 66** between 8.00am and 6.00pm, Monday to Friday.

We also run a range of free seminars and workshops on tax basics, record keeping and employer obligations.

- **To register for a seminar:**
 - visit **www.ato.gov.au/seminars**
 - phone us on **1300 661 104** between 8.00am and 6.00pm, Monday to Friday.
- **Visit www.ato.gov.au/businesses for easy access to a range of publications, tools and support for small business.**

You can interact with us online using our Business Portal. It's secure and easy to use with step-by-step instructions. You can lodge your activity statement online and access your running balance account, including all penalties and GIC.

- **Visit www.ato.gov.au to register for the Business Portal.**

Serious hardship

Serious hardship exists when payment of the debt would leave you unable to provide food, accommodation, clothing, medical treatment, education or other necessities for yourself, your family or other dependants.

If you are experiencing serious hardship, you can apply for release from payment of some or all of the following tax liabilities:

- income tax
- fringe benefits tax
- fringe benefits tax instalments
- pay as you go instalments
- some of the associated penalties and charges.

! Individual taxpayers and taxpayers who are operating a business as a sole trader can apply for release but entities such as companies, trusts and partnerships cannot.

> If you are experiencing serious hardship, phone us on **13 11 42** between 8.00am and 6.00pm, Monday to Friday.

More information

Refer to our online guide, *Managing your tax debt* (NAT 73304) at www.ato.gov.au/debt for more information about our approach to collecting tax debt and the options available for taxpayers managing a tax debt.

Alternatively, if you would like to discuss your tax or superannuation debt, phone us on **13 11 42**.

If you do not speak English well and need help from the ATO, phone the Translating and Interpreting Service on **13 14 50**.

If you are deaf or have a hearing or speech impairment, phone the ATO through the National Relay Service (NRS) on the numbers listed below:

- TTY users, phone **13 36 77** and ask for the ATO number you need
- Speak and Listen (speech-to-speech relay) users, phone **1300 555 727** and ask for the ATO number you need
- internet relay users, connect to the NRS on www.relayservice.com.au and ask for the ATO number you need.

Our commitment to you

We are committed to providing you with guidance you can rely on. If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at www.ato.gov.au or contact us.

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