

Operating

About this section

A consolidated group is treated as a single entity for income tax purposes. The head company becomes the contact point with the ATO.

This section deals with:

- Making a choice to consolidate and notifying: the head company chooses the date of effect of consolidation, makes the choice in writing and notifies the ATO.
→ B3-1
- Paying PAYG instalments: When the head company lodges the first consolidated income tax return, the ATO calculates an instalment rate for the head company using information on the return. The head company then pays PAYG instalments on a consolidated basis.
→ B3-2
- Determining annual liability: The head company self-assesses the annual income tax liability of the consolidated group, lodges a single income tax return for the group and makes a balancing payment or receives a balancing credit.
→ B3-3
- Managing obligations: The head company is responsible for the income tax-related liabilities of the entire group from the date of consolidation. Subsidiary members could be made liable to pay all or some of the unpaid income tax-related liabilities of the group.
→ B3-4
- Changing group membership: The head company needs to notify the ATO, and may also need to recalculate the group's income tax position, when a member joins or leaves the group, or the consolidated group ceases to exist.
→ B3-5

Revision history

Section B3-0 first published (excluding drafts) 2 December 2002. Further revisions are described below.

Date	Amendment	Reason
6.5.11	Minor revisions to reflect changes to choice to consolidate rules.	Legislative amendments.