



What to do when your client has a tax debt

Communication is key to tackling debt

We want to work with you to prevent or manage your client's tax debt, regardless of the situation.

Talk to us early so things don't escalate. Remember to update the correspondence preferences for your clients so we can get in touch.

How we manage debt

We have a tailored approach to debt.

Your client's behaviour, individual circumstances and lodgment and payment history are used to determine the most appropriate action for a tax debt.

We recognise that clients may occasionally experience short term cash flow issues that prevent them paying on time. To assist, we offer payment plans tailored to their individual circumstances.

1,100,000

payment plans were granted
(790,000 for small business)
(2017-18)

Support for clients experiencing [serious hardship](#) is available in some circumstances.

Prevention and support

- [Communication and education](#)
- Pre due date SMS
- [Payment plans](#)

We want to make it as easy as possible to pay tax on time.

To help we have tools, payment channels and self-serve payment options.

850,000

pre due date SMS sent (2017-18)

Early action

- Post due date SMS
- Reminder letters
- Pre referral to external debt collection agency warning letter
- Phone call from us
- External debt collection agency
- [Payment plans](#)
- [Release from payment under serious hardship](#)

2,100,000

reminder letters sent (2017-18)

Firmer action

- Firmer action warning letter
- Garnishee
- Director penalty notice
- [Payment plans](#)
- [Release from payment under serious hardship](#)

51,000

garnishees issued (1.2% of debt cases)
(2017-18)

Stronger action

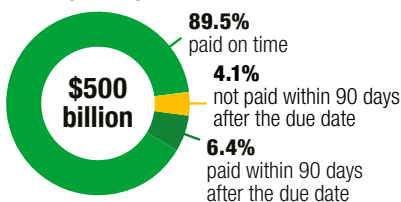
- Notice of intended legal action
- Summons
- Judgment
- Bankruptcy notice
- Creditor's petition
- Statutory demand
- Application for winding up
- [Payment plans](#)
- [Release from payment under serious hardship](#)

1,800

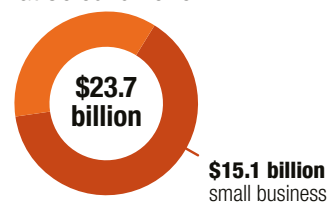
bankruptcies and company wind ups
(0.04% of debt cases) (2017-18)

Further information

Liabilities due
2017-18



Collectable debt
at 30 June 2018



In 2017-18 over **\$500 billion** in liabilities were due, with **89.5%** paid on time and **95.9%** paid within 90 days after the due date. At 30 June 2018, the amount of collectable debt was **\$23.7 billion** (this includes **\$15.1 billion** from small business).

Visit the website ato.gov.au

Registered agents can use [Online services for agents](#) to set up a payment plan.

Registered agents can call **13 72 86** to discuss your client's situation.