



 [Print whole section](#)

Paying the ATO

How individuals and businesses can make a payment to the ATO.

How to pay



How to pay us including the easiest ways to pay, other options, details you need and what to do if a payment is missing.

How much you owe



Work out how much you owe the ATO.

Help with paying



If you can't pay on time, there are support options you can access to meet your tax and super obligations.

If you don't pay



Find out what happens if you don't pay your debt.

Interest and penalties



Learn about interest and penalties we charge and interest we pay on early or overpaid amounts.

QC 50294

How much you owe

Work out how much you owe the ATO.

Last updated 21 April 2021

On this page

Individuals and sole traders

Business

If you disagree with your tax assessment

Registered agents

Individuals and sole traders

Online using myGov

Use your myGov account linked to the ATO to check your outstanding balance and when your payment is due.

[Log in or create a myGov account](#)


Income tax

After lodging your tax return you'll receive a notice of assessment confirming:

- how much you owe
- the due date for payment
- your payment reference number (PRN).

You can use our online services accessed through myGov to view your notice of assessment.

See also


- [myGov](#) 
- Why you may receive a tax bill

PAYG instalments

Pay as you go (PAYG) instalments only apply if you earn business or investment income over a certain amount. We'll notify you if you need to start paying PAYG instalments, how often you need to pay and the payment options available.

You can use our online services accessed through myGov to view, lodge, pay, vary and manage all your PAYG instalment obligations.

See also

- PAYG instalments
- [myGov](#) 

Business

If you're running a business, log in to Online services for business to find out what you owe us.

Online services for business

Find out when you need to lodge and pay:

- due dates for businesses that self-lodge
- due dates for registered agents that lodge for business.

If you can't use Online services for business, you can:

- [check your income tax assessment](#)
- [phone us](#)


Check your income tax assessment

Businesses other than companies receive a notice of assessment from us after they lodge their tax return.

The notice of assessment states:

- how much you owe
- the due date for payment
- your payment reference number (PRN).

Fully self-assessed companies and super funds don't usually receive a notice of assessment.

Sole traders and partners in partnerships can check what income tax they owe through our online services accessed through a [myGov account](#)  linked to the ATO.

PAYG instalments

If you're earning business income, you may be required to pay PAYG instalments. When we write to tell you that you have to pay instalments, we'll let you know how often to pay and the options available.

Phone us

Businesses can find out what tax they owe, and when it's due, by phoning us on **13 28 66** during operating hours.

Contact us immediately if you believe your account balance is incorrect.

Next step

- How to pay

If you disagree with your tax assessment

If you think your tax assessment is incorrect, you can dispute or object to an ATO decision.

Your payment is still due

Even if you're disputing an assessment, you must still pay the outstanding amount by the due date – unless you have a [deferral or 50:50 arrangement](#).

Overdue amounts, disputed or otherwise, incur interest. If the dispute is resolved in your favour we will generally pay you interest on your overpayments.

We may take recovery action for outstanding taxes even if you've requested a review or lodged an objection or appeal.

Seeking a deferral or 50:50 arrangement

You can write to us, explaining your reasons, if you want to defer your tax payment until your dispute has been resolved. If you have a good payment history, we may agree to defer recovery action until the dispute is resolved. However, interest will apply from the due date on any amount that is still payable when the dispute is resolved.

We may be able to offer you a 50:50 arrangement, where you pay at least 50% of the disputed amount plus any other outstanding tax debts. You also agree to provide any information needed to resolve the dispute. In return, you can defer paying the remaining amount until the dispute is resolved.

If your objection is unsuccessful you will only be charged 50% of the interest that accrues on the outstanding amount from the date you made the 50% payment. This concession is increased to 75% if your case is funded as part of the test case litigation program.

See also

- [Correct \(amend\) an income tax return](#)

Registered agents

To find out how much your client owes:

- [use Online services for agents](#)
- [phone us on 13 72 86 \(fast key code 1 2 5 1\).](#)

Debts on hold



What debts on hold are and how we offset credits and refunds against them.

QC 50298

Debts on hold

What debts on hold are and how we offset credits and refunds against them.

Last updated 5 June 2024

On this page

Debts placed on hold prior to 1 January 2017

Other debts on hold

About debts on hold

Offsetting credits or refunds

Making payments towards your debt on hold

Taking debts off hold

View your debt on hold transactions

Debts placed on hold prior to 1 January 2017

As part of the 2024–25 Budget, the Government has announced it intends to change the law in respect to debts placed on hold prior to 1 January 2017. Subject to the passage of legislation by Parliament, the Government intends for us to have the discretion not to offset refunds against tax debts of individuals, small businesses and not-for-profit entities, where the debts were placed on hold prior to 1 January 2017 and remain on hold. This **measure** is not yet law.

Until the measure is law, we will continue to pause offsetting of debts of individuals, small businesses and not-for-profit entities that were placed on hold prior to 1 January 2017 and remain on hold.

You can [check if you have a debt on hold](#), including when it was placed on hold.

Other debts on hold

The proposed new law is **not** intended to apply to:

- debts that were placed on hold on or after 1 January 2017

- debts of large businesses, super funds, multinationals and wealthy groups that were placed on hold prior to 1 January 2017.

The law requires us to offset these debts using any credits or refunds to which taxpayers become entitled.

You can [check if you have a debt on hold](#), including when it was placed on hold.

About debts on hold

We may place a debt on hold if we decide that taking the action required to collect it is not an economical option for us.

Even when a debt is placed on hold it remains legally payable. We do not actively try to collect the debt, but any credits or refunds you become entitled to will be used to pay it off. This is called **offsetting**.

You may have a debt on hold that does not currently appear on your account – even if your current account balance is zero. You can [check if you have a debt on hold](#), including when it was placed on hold.

If we offset your debt on hold, it will reduce any expected refund. When this happens, a transaction on your statement of account and in ATO online services will reflect all or part of the debt on hold back onto your account to allow the offset to occur.

In some cases, your credit or refund from one account may be used to offset your debt on hold from another account. For example, your GST credit may be used to offset your income tax debt on hold. In these cases, transactions will be shown on both accounts to reflect:

- all or part of the debt on hold back onto your account to allow the offset to occur, and
- the transferred credit or refund offset against the debt taken off hold.

[Follow the instructions](#) to find out how to view these transactions in ATO online services.

We may take debts off hold if new information causes us to conclude that collection is now an economic option for us.

You can get more details in *PS LA 2011/17 Debt relief, waiver and non-pursuit*.

If you need support or help understanding your debt on hold, contact us, or talk to your registered tax or BAS agent or financial adviser.

Offsetting credits or refunds

While we don't try to collect a debt that is on hold, the law requires us to offset the debt using any credits or refunds to which you become entitled.

You'll be able to see if we've offset your debt on hold by checking your statement of account or in ATO online services.

You don't need to do anything when we offset your debt on hold.

Example: offsetting a tax refund against a debt on hold

In September 2019, Hannah lodged her tax return for the 2018–19 financial year, which resulted in a tax debt of \$100.

After pursuing payment, we placed Hannah's \$100 debt on hold because she stopped lodging and couldn't be located.

In October 2023, Hannah lodged her tax returns for the 2019–20 to 2022–23 financial years, which resulted in expected tax refunds totalling \$900.

We offset her expected tax refunds of \$900 against her \$100 debt on hold. This reduced her tax refund to \$800.

Hannah can see if offsetting has occurred by checking her statement of account or in ATO online services.

Discretion not to offset

As part of the 2024–25 Budget, the Government has announced it intends to change the law in respect of debts placed on hold prior to 1 January 2017. Subject to the passage of legislation by Parliament, the Government intends us to have the discretion not to offset refunds against tax debts of individuals, small businesses and not-for-profit entities, where the debts were placed on hold prior to 1 January 2017 and remain on hold. This **measure** is not yet law.

There are currently limited circumstances in which we have the discretion not to offset, and to instead issue a refund.

You can find out more in *PS LA 2011/21 Offsetting of refunds and credits against taxation and other debts*.

Making payments towards your debt on hold

Even though we do not try to collect a debt that is on hold, you can pay all or part of it at any time.

To start making payments towards your debt and have it included in your account balance, **contact us**. You can also ask us about payment options like payment plans.

Taking debts off hold

We may take debts off hold if new information causes us to conclude that collection is now an economic option for us.

This will usually happen when:

- you have requested to pay
- we have reason to believe you may now be able to pay the debt.

When a debt that does not currently appear on your account is taken off hold, we remit any **general interest charge (GIC)** that accrued during the time that it was on hold.

Notifying you that we have taken a debt off hold

When a debt is taken off hold:

- it will show as an overdue balance on your statement of account and in ATO online services
- we may also notify you or your authorised representative, either by phone or in writing.

[Follow the instructions](#) to see if your debt has been taken off hold.

What to do if your debt is taken off hold

We may take action to recover your debt. You need to pay the overdue amount in full. While the debt remains unpaid, GIC may continue to apply.

If you cannot pay by this date, you may be able to set up a **payment plan** to pay by instalments.

If you're experiencing financial difficulties and need support, you can refer to:

- Tax support for individuals
- Tax support for businesses and not-for-profits.

View your debt on hold transactions

You can use the below instructions to view the original debt on hold and when a debt has been taken off hold:

- [Individuals and sole traders](#)
- [Registered tax professionals](#)
- [Businesses](#)

If you need further information about your debt on hold you can contact us.

Individuals and sole traders

Follow these steps:

- visit ATO online services
- select the **Tax** drop-down menu
- select **Accounts**
- select **Summary**
- choose the account you want to view
- select the **Filter** drop-down
- update the 'from' date to 01/01/2000
- select **Order date by** to sort from **Oldest** to **Newest**
- select **Filter** to sort and view transactions.

Scroll through the account onscreen or download a CSV (Excel) file.
You can search for transactions as follows:

- To view the original debt on hold, search 'non-pursuit'.
- To view when a debt has been taken off hold, search 're-raise of non-pursuit' and/or 'partial re-raise of non-pursuit'.
- The net amount of the debits minus the credits is the remaining balance of the debt on hold.

Registered tax professionals

Follow these steps:

- visit **Online services for agents**
- select **View client list** or **Favourite clients** (if you have added client to favourite list)
- select a client
- select the **Accounts and payments** drop-down menu
- select **Accounts Summary**
- choose the account you want to view
- select the **Filter** drop-down
- update the 'from' date to 01/01/2000
- select **Order date by** to sort from **Oldest** to **Newest**
- select **Filter** to sort and view transactions.

Scroll through the account onscreen or download a CSV (Excel) file.
You can search for transactions as follows:

- To view the original debt on hold, search 'non-pursuit'.
- To view when a debt has been taken off hold, search 're-raise of non-pursuit' and/or 'partial re-raise of non-pursuit'.
- The net amount of the debits minus the credits is the remaining balance of the debt on hold.

Businesses

Follow these steps:

- visit **Businesses and organisations online services**
- select the **Accounts and payments** drop-down menu
- select **Account Summary**
- choose the account you want to view
- select the **Filter** drop-down
- update the 'from' date to 01/01/2000
- select **Order date by** to sort from **Oldest** to **Newest**
- select **Filter** to sort and view transactions.

Scroll through the account onscreen or download a CSV (Excel) file.
You can search for transactions as follows:

- To view the original debt on hold, search 'non-pursuit'.
- To view when a debt has been taken off hold, search 're-raise of non-pursuit' and/or 'partial re-raise of non-pursuit'.
- The net amount of the debits minus the credits is the remaining balance of the debt on hold.

QC 66102

Help with paying

If you can't pay on time, there are support options you can access to meet your tax and super obligations.

Last updated 17 July 2024

If you're experiencing financial difficulties, our support options may help you meet your tax and super obligations.

Payment plans

Find out how to set up a manageable payment plan to pay down your debt.

Managing payments

How to manage your payments, including prepayments and payment transfers.

Compromise of tax debt

Find out what happens in a compromise of tax debt and how to apply for one.

Deferring repayments

Work out if you can defer or amend your compulsory payment or overseas levy.

If you can't lodge or pay on time – Easier to read information

Find out about lodging and paying in a way that is easy to read and uses pictures to explain ideas.

Other languages

Get help with paying in other languages.

QC 50299

Payment plans

How to set up a manageable payment plan to pay the tax you owe.

Last updated 6 May 2024

On this page

[What is a payment plan?](#)

[Who can set up a payment plan](#)

[Before setting up a payment plan](#)

[Setting up a payment plan](#)

[Registered agents](#)

[Interest-free payment plans for overdue activity statement amounts](#)

[Managing your payment plan](#)

[Checking the status of your payment plan](#)

What is a payment plan?

You need to lodge and pay your tax bills in full and on time to avoid penalties, **general interest charges (GIC)** and firmer actions. However, if you're experiencing financial difficulties you may be eligible to set up a payment plan.

A payment plan allows you to break down your payment into smaller amounts that are made via instalments and are spread over the shortest possible fixed period of time. When you set up a payment plan, you pay an agreed sum of money weekly, fortnightly or monthly until the balance is cleared.

Tax debts on a payment plan continue to accrue GIC, which compounds daily. Paying your debt in the shortest period of time will help reduce the GIC that you'll pay.

Who can set up a payment plan

Payment plans are available to eligible:

- individuals
- sole traders
- businesses
- registered tax or BAS agents on behalf of their clients.

We consider many factors when you apply to set up a payment plan. Depending on the circumstances, you may not be eligible for a payment plan on the terms you suggest or at all. If you have not been successful in setting up a payment plan online or through our automated phone service, you will need to phone our **lodge and pay enquiry line** during operating hours to discuss your eligibility.

Before setting up a payment plan

Before setting up a payment plan you should consider:

- if you can pay what you owe today - this will reduce how much GIC you pay

- how much you can pay today, and when you'll be able to pay in full.

Use our **online payment plan estimator** to calculate a payment plan you can afford. This tool also helps you work out how quickly you can pay off a tax debt and how much interest you'll be charged. The longer you take to pay off your debt, the more interest you'll pay.

Once you work out a suitable payment scenario based on your circumstances, you can use it as a guide to set up a payment plan to meet your tax debts.

You can't use this estimator for **super guarantee charge** debts. To get help managing your super obligations, you can phone our **lodge and pay enquiry line**.

You should also be aware:


- you still need to lodge your obligations and pay any associated liabilities on time
- you must factor in payment of your ongoing obligations, in addition to any payment plan
- if you have multiple overdue tax debts, you will need to pay any other tax debt in full or set up payment plans to avoid defaulting or debt recovery action
- any tax credits and refunds you receive will be used to reduce your tax debt (**offsetting**) – this will not replace the required instalment payment
- you can make additional voluntary payments or pay off the debt at any time.


Setting up a payment plan

There are a few ways to set up a payment plan. Your [registered tax or BAS agent](#) may also be able to set a payment plan up on your behalf.

Online services

If you owe \$200,000 or less, you may be able to set up a payment plan through our online services.

If you are an individual (including a sole trader), you can use **online services**. You will need an active [myGov](#)  account linked to the ATO.

Businesses can use [Online services for business](#)  by selecting **Accounts and payments**, then **payment plans**.

When you set up a payment plan, we will help you save on interest by guiding you to pay what you owe in the shortest time. We will provide you with:

- an upfront amount you need to pay
- suggested instalment amounts that have been manageable for clients with similar circumstances to yours.

You can vary the upfront and instalment amounts above or below the amounts provided, up to certain values.

Self-help phone line



If you owe \$200,000 or less, you may also be able to use our **self-help service for individuals and sole traders** or **automated service for business enquiries**. You will need your Australian business number (ABN) or tax file number (TFN) handy, and the full details of the amount payable.

Contacting us

If you owe more than \$200,000 or are unable to set up a payment plan online, you will need to **contact us** during operating hours for assistance.

You will need your ABN or TFN handy, and the full details of the amount payable. We will ask for more detail about your circumstances, including:

- why you can't pay by the due date
- your bank details, including current account balances and any lines of credit
- your income, including if it can meet the proposed payment plan
- expenses
- assets.

To prepare for this conversation, you can visit [Moneysmart.gov.au](#)  and use their [budget planner](#) . This can help you understand your financial position so you can make a suitable payment proposal.

We will ask further questions about your circumstances if you have:

- received a warning of **firmer recovery** or **legal actions** in the past 6 months or have progressed with these actions
- defaulted on or cancelled 2 or more payment plans in the past 12 months
- requested additional support due to significant financial hardship.

Registered agents

If you're a registered tax or BAS agent, you can use our **Online services for agents** to view, set up, adjust or cancel a payment plan for your client if they:

- owe \$200,000 or less
- does not already have a payment plan for that debt amount.

This video explains **how to set up a payment plan for your client**.

If your client does not meet these requirements, you can phone our **registered agent phone line** to discuss their options. Use our fast key code guide to get in touch with the right area.

Interest-free payment plans for overdue activity statement amounts

Small businesses that owe activity statement amounts may be able to make interest-free payments over 12 months.

Eligibility

You may be eligible for an interest-free payment plan if your business:


- has an annual turnover of less than \$2 million
- has recent amounts owed from an activity statement of \$50,000 or less that have been overdue for up to 12 months
- has a good payment and lodgment history, including
 - no more than one payment plan default within the last 12 months
 - no outstanding activity statement lodgments

- cannot obtain finance (such as a loan) through normal business channels
- can demonstrate ongoing viability.

How it works

You must agree to a payment plan that allows the amounts owed to be paid by direct debit within 12 months. Even if you receive a letter stating that interest will apply, it will be remitted as long as you maintain your payment plan.

While you're paying your bill, you:

- can check your running account balance by logging into the [Online services for business](#)  or phoning our business enquiry line
- must meet all of your other payment and lodgment obligations.

Registered tax or BAS agents can check the running account balance by:

- using Online services for agents or by referring to the Online services for agents user guide for instructions
- phoning our registered agent phone line
- phoning **13 72 86** (Fast Key Code **1 2 5 1**).

If you're already in a payment plan

You can ask us to change your existing payment plan to an interest-free payment plan if you satisfy the eligibility criteria.

If your request is approved, we'll cancel your previous plan. The interest-free period will start from the date you enter into the new plan.

Phone our business enquiry line during operating hours to change to an interest-free payment plan if eligible.

Managing your payment plan

Setting up direct debit

The easiest way to stay on top of your payment plan instalments is to set up a direct debit. You can set up direct debit payments at the same

time you set up your payment plan – from either a financial institution (bank) account or a credit or debit card (a card payment fee will apply).

Only the card holder can set up a direct debit payment plan using a credit or debit card. Alternatively, you can pay individual instalments with your credit card or any of the other payment options available for paying the ATO.

Modifying instalments and changing how you pay


You can **modify an instalment** from direct debit to a different payment method (including, from one credit or debit card and linking it to another card). You can also modify an instalment date or amount or cancel an instalment.

If you make any changes, you will need to do this at least:

- one business day before the instalment date, if the payment method is direct debit via credit or debit card
- 3 business days before the instalment date, if the payment method is direct debit via your bank accounts.

A payment plan cannot be modified online if the current plan extends for longer than 24 months or if the changes will extend the plan by longer than 24 months.


You can update the instalment amounts of your payment plan through our online services:

- individuals and sole traders can use ATO online services
- businesses can use [Online services for business](#)  on the **Payment Plan** page
- tax and BAS agents can refer to the **Online services for agents user guide** for instructions on how to modify an instalment in **Online services for agents**.

Tax and BAS agents cannot modify the payment plan or instalment schedule if the payment method is direct debit via credit or debit card. Only the card holder can do this.

Checking the status of your payment plan

Individuals and sole traders can view the status of their payment plan in **ATO online services**. From the **Tax** menu, select **Payment** and then select **Payment Plans** from the next menu.

Businesses can check their payment plan status from the **Accounts and Payments** menu in [Online services for business](#) . For more detail about each payment plan status, click the help icon.

Arrears status

If you missed a scheduled instalment or haven't paid another tax obligation by the due date, you may still have time to pay before your payment plan defaults.

You may receive a letter from us informing you that your accounts are in arrears, and you have an opportunity to catch up before your payment plan defaults. This letter outlines the minimum amount you need to pay now and other actions you need to take to prevent your payment plan from defaulting.

myGov users will receive the letter through their myGov inbox in the first instance. If you have set up a preference to send correspondence to your tax agent, the arrears letter will be sent to them.

Secured payment plans

If we can't reach an agreement with you about paying amounts you owe, we may consider accepting an offer of security where you either:

- request we defer the time of payment of a debt
- seek to pay a debt by instalments.

Our preferred securities are:

- a registered mortgage over freehold property
- an unconditional bank guarantee from an Australian bank.

For more information about a secured payment plan, phone our **lodge and pay enquiry line** during operating hours.

For more information, see *PS LA 2011/14 General debt collection powers and principles*.

Managing payments

How to manage your payments, including prepayments and payment transfers.

Last updated 2 May 2023

On this page

[Budgeting for tax](#)

[Making prepayments](#)

[How to prevent debt](#)

[Request a payment transfer](#)

Budgeting for tax

Keep an adequate amount aside to cover tax whenever you receive a payment that hasn't been taxed, such as:

- income as a contractor
- profit from selling shares or property (capital gains tax may apply)
- rental income
- interest and share dividends
- sharing economy payments.

You can make **voluntary repayments** at any time to reduce the balance of your debt.

You can use our income tax estimator to work out if you're likely to owe tax this income year.

See also

- [Income tax estimator](#)

- Investing
- Supporting your small business

Making prepayments

You don't need to wait for a bill from us to make a payment. You can make prepayments at any time and as often as you like to make it easier for you to manage your tax.

What you need to do:

- get your payment reference number (PRN)
- work out how much to prepay using our online **tools** and calculators
- prepay your tax using one of our payment **methods**.

We will hold prepayments you make towards your expected bill unless you, or your agent, request a refund. If you already have an existing debt with us, these payments may be used to pay that debt.

See also

- How to pay
- Interest on early payments calculator

How to prevent debt

Our research shows that you are more likely to stay on top of your payments to us if you:

- keep amounts for GST, superannuation and income tax payments separate from your other business affairs – for example in a separate bank account or by making a prepayment to us
- manage your cash flow and budget for monthly income and expenses
- keep good business records and update them frequently – for example, weekly or monthly.

It's important to have a good understanding of your payment obligations so you can plan ahead to pay the right amount at the right time.


Request a payment transfer

A payment transfer is the movement of a payment from one ATO account to another ATO account if a payment has been credited to the wrong account. You can request a partial transfer where a payment should have been made for two different accounts.

You need to provide the following details to request a payment transfer:

- your contact details, including your name and phone number – you must pass proof of identity on the account the payment is being transferred from
- details of the account the payment was made to, including the PRN, account name, tax file number (TFN) or Australian business number (ABN)
- amount of the payment
- payment method – for example, credit card or BPAY
- date of the payment
- payment receipt number (if known)
- tax type – for example income or activity statement
- details of the account that the payment is to be transferred to, including the PRN, account name, TFN or ABN
- details of the amount of the payment to be transferred – you can request a transfer of the whole, or partial amount.

You can request a payment transfer by phoning **13 11 42** during our operating hours.

Businesses can use the [Online services for business](#)  and registered agents can use Online services for agents.

QC 50464

Compromise of tax debt

Find out what happens in a compromise of tax debt and how to apply for one.

Last updated 16 December 2022

On this page

What happens in a compromise and how to apply for one

Limitations of a compromise

Before we consider a compromise

When a compromise will not be accepted

How to apply for a compromise

What happens in a compromise and how to apply for one

A compromise of tax debt is an agreement between us and a taxpayer to:

- accept a lesser amount to satisfy an undisputed tax debt
- not pursue the balance of an undisputed tax debt.

Strict criteria applies for us to agree to a compromise.

Depending on your circumstances, you will pay the agreed amount as a lump sum or by instalments as part of a payment plan.

When you enter into a compromise, you may be required to abandon rights under tax laws. For example, this could include the right to carry forward revenue and capital losses.

Compromise of tax debt is **not** a settlement even though it is often referred to as such. A settlement is when we agree with the client on the amount of a disputed tax liability.

Limitations of a compromise

Tax debts are owed to the Commonwealth. We are responsible for collecting tax debts on behalf of the Commonwealth.

While a compromise involves us agreeing not to pursue the balance of a debt, we are unable to validly discharge the remaining balance.

Before we consider a compromise

Before considering a compromise of tax debt, we first consider the options available to help you meet your tax debt obligations, including to:

- remit penalties and additional charges including **interest charges**
- enter into payment arrangements
- defer the time for payment
- **release you from certain tax debts.**

We also consider:

- other options for debt recovery, for example
 - placing **debts on hold**
 - bankruptcy or liquidation.
- if other parameters have been met, including
 - the tax debt is undisputed
 - the compromise proposal is not for less than your total net assets
 - the compromise will not directly or indirectly impact on the other actions involving you or other parties
 - hardship is not the only reason to support the proposal
 - alternative collection options would not result in a greater return, such as issuing director penalty notices or bankruptcy
 - you do not have a poor compliance history.

When a compromise will not be accepted

We will not consider requests for compromise where:

- the tax debts are subject to dispute

- an application to waive the debt has not been finalised
- an application for release from payment of an income tax or fringe benefits tax debt has not been finalised
- you could lodge a debt agreement under Part IX of the Bankruptcy Act
- within 5 years immediately before the proposal, you have been party to an earlier agreement, bankrupt or party to a Part IX or X arrangement.

How to apply for a compromise

All requests for a compromise of tax debt must be made in writing to the Commissioner of Taxation.

Application forms are available for individuals and businesses.

You can request application forms by:

- writing to us
- phoning our business or individual enquiry line.

You need to complete the relevant application form by answering all questions carefully, completely and accurately. Then return it to:

The Commissioner of Taxation

PO Box 1129

PENRITH NSW 2740

When lodging an application for a compromise, be mindful that you are essentially admitting that:

- you are insolvent
- you may have been insolvent for some time, but now do not see this situation improving
- in some cases, you may have paid out other creditors to our detriment (potentially an act of bankruptcy under the *Bankruptcy Act 1966*).

You can get more details in PS LA 2011/3 *Compromise of undisputed tax-related liabilities and other amounts payable to the Commissioner*.

If you don't pay

Find out what happens if you don't pay your debt.

Last updated 11 October 2024

On this page

What happens if you don't pay

General interest charge

Offsetting your credit or refund

External debt collection agencies

When we take firmer action

When we take legal action

What happens if you don't pay

When you owe tax which you can't pay by the due date, contact us **before** the due date so we can help you while it's still manageable.

We're committed to:

- listening to your situation
- helping you get back on track
- providing tools and services to **help with paying**.

If you don't pay your debts on time, we will:

- apply [general interest charge](#) on your unpaid amounts
- contact you soon after the due date by one of the following methods
 - SMS
 - messages in myGov

- letter
- phone
- use any future refunds or credits to repay the amounts you owe.

We may take [firmer action](#) if you:

- refuse to engage with us to address your debt
- continue to ignore SMS and letter reminders
- repeatedly default on agreed payment plans.

Make sure you lodge your business activity statements and tax returns on time to avoid a penalty for lodging late.

General interest charge

If you don't pay on time, we will automatically add a **general interest charge** (GIC) to what you owe. Your debt will grow each day your debt remains unpaid.

Interest calculates on a daily compounding basis on the amount overdue and is added to your account periodically.

We revise GIC interest rates quarterly.

You can request a **remission** of some, or all, of your interest. We may remit the interest if you have extenuating circumstances which caused your delay in payment.

Offsetting your credit or refund

If you have a debt with us, including a **debt on hold**, we're required by law to use any credits or refunds you become entitled to, to pay off the debt. This is what we call offsetting.

There are limited circumstances in which we have the discretion not to offset. You can find out more in *PS LA 2011/21 Offsetting of refunds and credits against taxation and other debts*.

In some cases:

- we can also use credits you receive from other government agencies to pay off your debts

- we are required to pay your refund to other government agencies you have debt with; for example, if you have an overdue child support payment, part or all of your refund payment may be paid to Services Australia.

Once all your debts are paid, we'll refund any remaining credit to you.

You can check to see if offsetting has occurred on your statement of account or in ATO online services.

External debt collection agencies

If you have an overdue debt and don't respond to our request to pay, we may send you a pre-referral warning letter. If you don't respond to the letter or engage with us to pay your debt, you will be referred to the external debt collection agency.

External debt collection agency contact details

Agency information	Phone
From 29 January 2024 debt cases may be actioned by an external debt collection agency – recoveriescorp .	Individuals – 1300 323 495 Registered tax professionals – 1300 352 593

If your debt has been referred to recoveriescorp they will contact you to request payment by phone call, email, SMS or letter. If you're not sure whether it's really them, do not reply. You should phone them using the numbers listed to verify the contact.

If you have a registered tax professional they may be contacted on your behalf.

If you're still unsure, you can view our tips on how to **verify or report** suspected tax related scams.

When we take firmer action

We're committed to supporting taxpayers who want to do the right thing and preventing those who don't pay from gaining an unfair financial advantage. We use firmer action when people:

- are refusing to engage with us
- continue to ignore SMS and letter reminders
- repeatedly default on agreed payment plans
- don't have the capacity to pay and don't take steps to resolve their situation
- have been subject to an audit where we detected deliberate avoidance and payment avoidance continues
- appear to be engaging in phoenix activities; this involves using liquidation to avoid financial obligations (without risking assets) and with the intention of resuming business operations through a new entity.

You can avoid firmer actions by paying in full and on time or setting up a payment plan.

Garnishee notice

We can issue a garnishee notice to a person or business that holds money for you or may hold money for you in the future. This requires them to pay your money directly to us to reduce your debt. We'll send a copy of the notice to you.

For individuals, we may issue a garnishee notice to:

- your employer or contractor
- banks, financial institutions and building societies where you have accounts
- people who owe money to you from the sale of real estate, such as purchasers, real estate agents and solicitors.

For businesses, we may issue a garnishee notice to:

- your financial institution
- trade debtors
- suppliers of merchant card facilities.

Director penalty notice

As a company director, you become personally liable for your company's unpaid amounts of:

- pay as you go withholding
- goods and services tax
- super guarantee charge.

These amounts that you are personally liable for are called director penalties. We can recover the penalty amounts from you once we issue you a **director penalty notice (DPN)**.

We may issue DPNs to directors of multiple companies, capturing the total value of unpaid tax and super across all related entities.

We can recover the amounts of the director penalty by:

- issuing garnishee notices
- offsetting any of your tax credits against the director penalties
- initiating legal recovery proceedings against you.

Direction to pay super guarantee charge (SGC)

We can issue employers with a direction to pay outstanding SGC (or estimates of SGC) within a specified period.

When an employer receives a direction to pay, they must ensure that they pay the full amount specified in the direction. A failure to comply with the direction is a criminal offence and can result in penalties or imprisonment.

Disclosure of business tax debt

If you have overdue tax debts and meet certain criteria, you may have your tax debt reported to registered credit reporting bureaus (CRBs). If you meet the reporting eligibility criteria, we will send a **Notice of intent to disclose** that advises you of the relevant action to take.

If you're already engaged with us to manage your tax debts, the debts will not be reported to CRBs.

When we take legal action

In some cases, we may take legal action to recover outstanding tax and super debts. The action we take depends on whether the debt is owed by an individual (or sole trader), partnership, trust, superannuation fund or company.

Claim or summons

If you don't work with us to address your debt, we may file a claim or summons with the relevant court of your state or territory. Once the court recognises the debt owed, we may execute on the judgment debt in several ways, including by filing and serving a [bankruptcy notice](#).

If the court imposes judgment debt interest, this amount is not tax deductible.

Bankruptcy notice

If you receive a bankruptcy notice, you need to pay your debt or make a payment plan with us within 21 days. If you're unable to do this, we may file a creditor's petition to make you bankrupt.

Bankruptcy is a legal declaration that a person is unable to pay their debts. When a person becomes bankrupt, the bankruptcy trustee takes possession of nearly all their assets and sells them to pay the person's debts.

We won't seek to bankrupt you if it is clear you're able to pay your debt in a reasonable time. If you're facing bankruptcy action, but believe you can pay your debts, you should provide us with clear evidence of your ability to pay.

You can go into bankruptcy voluntarily by filing a debtor's petition with the [Australian Financial Security Authority](#) .

Creditor's petition

A creditor's petition is essentially an application to the Federal Court or Federal Magistrates Court for a sequestration order to declare you bankrupt.

Anyone you owe money to, including us, can file a creditor's petition if you have committed an 'act of bankruptcy' (such as failing to comply with a bankruptcy notice) within the preceding 6 months.

If the sequestration order is made, you will become bankrupt and a trustee appointed to manage your estate. This usually involves the sale of the bulk of your assets to pay your creditors, including us.

The court will not issue the order if you can demonstrate you're able to immediately pay all your debts.

Statutory demand

We can issue a statutory demand for payment to a company that has not paid its debts. This requires the company to pay the entire debt or enter into a payment plan with us within 21 days.

If a company doesn't comply with the statutory demand, we may use the non-payment as evidence that the company is insolvent and apply to the Federal Court to wind up the company.

Wind-up action

When a court orders a company to wind up, an appointed official liquidator sells the company's assets and distributes the resulting funds to the company's creditors.

We'll take action to wind up a company if:

- it has failed to pay its debts
- we have not been able to negotiate a suitable payment plan.

These circumstances may indicate that the company is insolvent and there could be a risk to us (and possibly to other creditors) that the debt will not be paid.

Disclosure of business tax debts



The circumstances in which we may report your business debt information to credit reporting bureaus.

QC 50300

Disclosure of business tax debts

The circumstances in which we may report your business debt information to credit reporting bureaus.

Last updated 14 October 2024

On this page



Criteria for reporting business tax debts

Engaging with the ATO to manage your debts

Notice of Intent to disclose

Legislation

Your privacy

Criteria for reporting business tax debts

If your business meets certain criteria, we may disclose your debt information to credit reporting bureaus (also known as credit reporting agencies).

We will not report your debt information to credit reporting bureaus (CRBs) if you're already engaged with us to manage your tax debts.

We may report your business tax debt if you meet the following criteria:

- You have an Australian business number (ABN) and are not an excluded entity.
- You have one or more tax debts and at least \$100,000 is overdue by more than 90 days.
- You are not engaging with us to manage your tax debt.
- You don't have an active complaint with the Inspector-General of Taxation Ombudsman (IGTO) about our intent to report your tax debt information.

An excluded entity is either a:

- deductible gift recipient
- complying superannuation fund
- registered charity
- government entity.

We may decide not to report your tax debt information if you are experiencing [exceptional circumstances](#).

Engaging with the ATO to manage your debts

If you are effectively engaging with us to manage your debt, we will not report it, even if it is \$100,000 or more.

Effectively engaging with us means that you have:

- a payment plan and you are complying with the terms of the arrangement
- applied for **release from the tax debt**
- an active **objection** against a taxation decision to which the tax debt relates
- an active review with the Administrative Review Tribunal (ART) or an active appeal to the Court
- an active review with the ART of a reviewable decision which may affect the amount of a non-complying superannuation fund's tax debt with the relevant regulator
- an active complaint with the IGTO in relation to the tax debt.

Exceptional circumstances

You may be able to temporarily prevent the disclosure of your tax debt information if you are experiencing **exceptional circumstances outside of your control**.

Exceptional circumstances may be, but are not limited to:

- family tragedy
- serious illness
- impacts of natural disasters.

These are assessed on a case-by-case basis as they will impact clients in different ways.

We're committed to helping businesses with their tax and super obligations in difficult times. Contact us as early as possible and we'll work with you to find the best solution.

Cash flow issues or financial hardship are not generally considered exceptional circumstances. However, if these circumstances are preventing you from managing your tax debt, contact us.

Notice of Intent to disclose

We will send a written notice (letter) if we plan to disclose your business' tax debt.

The notice will tell you:

- about our intent to report your tax debt information to CRBs
- that you meet the criteria for reporting
- the information we intend to report to the CRBs
- what steps you can take to avoid your tax debt information being reported
- that you have 28 days from receiving the notice to take the necessary action.

Contact us immediately to discuss your situation if:

- you believe we've made a mistake with your debt balance
- you disagree with our decision to disclose your debt balance to CRBs.

Call the Disclosure of business tax debts enquiries line on **1300 303 570** between 9:00 am and 6:00 pm, Monday to Friday.

We will work with you to check and manage your tax debts and obligations.


If you're worried you won't be able to pay on time, or you've already missed a due date, we have **options available to support you**.

Legislation

The disclosure of overdue business tax debts legislation will:

- support businesses to make more informed decisions because overdue tax debts will be more visible
- encourage taxpayers to engage with us to manage their tax debts and avoid having them disclosed
- reduce unfair financial advantage of businesses that do not pay their tax on time.

Relevant legislation includes:

- Treasury Laws Amendment (2019 Tax Integrity and Other Measures No. 1) Act 2019 – Disclosure of business tax debts
- [Taxation Administration \(Tax Debt Information Disclosure\) Declaration 2019](#) .

Your privacy

We only report your business tax debt information to CRBs that:


- are registered with us
- have signed a Deed of Agreement, agreeing to ATO standards on policies, practices and procedures.


Details that will be reported to CRBs include:

- your ABN
- legal name, business name
- the type of entity you are
- the amount of your overdue tax debt.

Your tax debt information will be removed from a CRB's credit report when you no longer meet the criteria. This occurs when you pay your debt in full or effectively engage with us to manage the debt.

Your credit score and credit reports

Find out how to check your credit reporting record through the [Office of the Australian Information Commissioner](#) .

Learn more about credit scores and credit reports at [Moneysmart](#) .

Registered CRBs that have signed a Deed of Agreement with the ATO

CRB	ABN
Access Intell Pty Ltd	16 628 252 880
Alares Systems Pty Ltd	60 612 673 953

CreditorWatch Pty Ltd	80 144 644 244
Equifax Australia Information Services and Solutions Pty Ltd	26 000 602 862
illion Australia Pty Ltd	95 006 399 677

For more information on registering, prospective CRBs may call the Disclosure of business tax debts enquiries line on **1300 303 570** between 9:00 am and 6:00 pm, Monday to Friday.

QC 66118

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).