

Australian Taxation Office's new measures to help small businesses

The Commissioner has recently announced two new measures to help businesses with an annual turnover of less than \$2 million that are struggling to manage their tax debts in the current economic climate.

Measure 1: 12 month General Interest Charge (GIC) free payment arrangements.

According to the Commissioner, small businesses with an activity statement debt can apply for a GIC free payment arrangement with the Tax Office from now until 30 June 2010. The Tax Office will have the GIC remitted for a maximum period of 12 months, provided the payment arrangement is maintained.

Measure 2: Deferred activity statement payment due dates.

Small businesses will also have the opportunity to request a deferral of payment on their next activity statement. Eligible businesses with short term cash flow problems that pay quarterly and annually may be granted a deferral of up to two months, while those that pay monthly eligible for a deferral of up to one month.

NOTE: The Tax Office still requires small businesses to lodge their Activity Statements on time, however no interest will apply for the period of the deferral.

According to the Commissioner, more than a quarter of small businesses are struggling to meet their tax obligations due to the impact of the current economic crisis. The Commissioner has stated that the Tax Office did not want the GIC or temporary cash flow problems to be the deciding factors between a business surviving and being able to meet its tax and superannuation obligations or becoming insolvent.

We would be more than happy to help you, if you would like a payment plan negotiated on your behalf.

We hope the above brief summaries are helpful.

As usual there is a lot more detail and if applicable, you should obtain specific advice relevant to your circumstances from your advisor.

MGI Brisbane Pty Ltd ABN 68 295 962 698

Level 1, 200 Mary Street, GPO Box 1087, Brisbane Queensland 4001 Australia
t: +61 7 3002 4800 f: +61 7 3229 5603 e: info@mgibris.com.au w: www.mgibris.com.au

DISCLAIMER: This newsletter has been prepared as a guide for the use of clients of MGI Brisbane.
Any comments or articles are of a general nature only and should not be relied upon as detailed advice on a particular matter.
We recommend that clients seek our formal advice in relation to matters contained in this newsletter which may affect them.