

The Taxation Office is providing assistance to people who are finding it difficult to pay their tax debts due to the impacts of the drought on their income. Assistance is available to farmers and other taxpayers whose income is derived from drought affected areas.

If you are experiencing difficulty paying your tax due to the drought, you can contact the Tax Office on **13 11 42** and select option **3** to discuss your circumstances.

There are two forms of assistance available.

1. More time to pay tax debts without interest charges, or
2. Payment by instalment without interest charges.

If you have an existing arrangement to pay by instalments, you should contact the Tax Office as soon as possible to review the terms of your arrangement, including relevant interest charges.

Your financial circumstances will be taken into account when deciding the nature of the assistance to be provided. We will look at circumstances on a case-by-case basis as people from different regions and industries have been affected to varying degrees.

## **Release**

In special circumstances, the Commissioner may release individuals from payment of income tax, fringe benefits taxes and some other taxes where it is shown that payment would cause serious hardship.

Serious hardship exists where payment of a tax liability results in a taxpayer being left without the means to achieve reasonable acquisition of food, clothing, medical supplies, accommodation, education for children and other basic requirements.

## **Credit offsets**

Credits arising from the lodgement of an income tax return or activity statement will be offset against an outstanding liability.

However, if the credit offset occurs after a deferment to pay the debt has been granted, or you have made an arrangement to pay the debt by instalments, a request may be made for a refund of the credit offset.

## **Lodgement obligations**

You are required to continue to meet lodgement obligations – for example, activity statements, income tax return or FBT return by the due dates. For information relating to lodgement, contact **13 11 42** and select option **3**

<http://www.ato.gov.au/businesses/content.asp?doc=/content/43900.htm>