

Client Alert / Blog

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Do you have your tax debts under control?

From 1 July 2017, a new tax measure will come into play for small businesses, and we're here to help prepare you for this tax change.

Businesses that haven't engaged with the Australian Taxation Office (ATO) to get their tax debts under control could have their tax debt information disclosed to credit reporting agencies by the ATO.

Initially, the ATO will be applying this new disclosure measure to businesses with a tax debt greater than \$10,000 and is in default (at least 90 days overdue). If your tax debt is disclosed by the ATO, your credit rating will be adversely affected for the next 5 years.

What do you need to do?

If you have a tax debt that is 90 days or more overdue, you need to secure a payment arrangement with the ATO **before 30 June 2017**, regardless of how big or small the tax debt is.

We also encourage everyone who has outstanding tax payments not yet in default, to get these paid as soon as possible.

Tax debts, once disclosed to credit reporting agencies, will go on your credit rating file for 5 years which could greatly impact your chances of securing finance in the future or enter in to credit arrangements with your suppliers.

So, it is important to get your tax debts under control as soon as possible, and well before 1 July 2017.

How we can help you!

As your tax agent, we can help you negotiate an effective payment arrangement with the ATO without negatively affecting your cashflow.

Get in touch with us today to discuss your options and get control of your tax debts.

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