

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 185

Topic: Small Business

Hansard Page: Written

Senator RYAN asked:

In 2009, the ATO introduced measures to assist small businesses. These measures included:

- 12 month general interest charge (GIC) free payment arrangements, and
- the opportunity to defer the payment date for activity statement liabilities.

These measures were recommitted to in July 2010.

185. Are these measures still available to Australian small businesses? If not;

- a) who decided to withdraw the measures
- b) when was it decided to withdraw the measures
- c) when was it publicly announced to withdraw the measures

Answer:

In summary, both measures are still available but now better targeted to assist small businesses.

The Australian Taxation Office (ATO) continues to offer the 12 month (general interest charge) GIC free payment arrangements it introduced from 1 June 2009 to assist small businesses. From 27 July 2011, the eligibility criteria for these arrangements were modified to better target them to viable businesses with good compliance histories.

The ATO also continues to offer activity statement payment deferrals to eligible small businesses. Activities statements are used by businesses to report and pay a number of tax obligations, including GST, Pay As You Go (PAYG) instalments, PAYG withholding and fringe benefits tax.

In June 2009, the ATO announced that small businesses with an activity statement debt can apply for a GIC free payment arrangement until 30 June 2010. In July 2010, the Commissioner of Taxation announced that this measure was extended for another 12 months.

After that date, activity statement payment deferrals are assessed under standard guidelines on a case-by-case basis.