

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

2014 - 2015

**Department/Agency: Treasury**

**Question: BET 67**

**Topic: Instant asset write-off**

**Reference: Hansard page no. 91 - 02 June 2015**

**Senator: Ketter, Chris**

**Question:**

67. Senator KETTER: I would like to look at the instant asset write-off issue again, but I want to focus on the changes that the government made in the last budget, which was the reduction of the amount of the instant asset write-off. That was done on a retrospective basis back to 1 January 2014. I know there has been a regulatory impact statement done, so I am not going to ask you to read that or anything like that, but I am interested in the additional costs that will be imposed on small businesses by the ATO when they receive an amended tax notice if a small business is unable to pay by the due date.

Mr Willcock: That is not an issue that Markets Group handles; they are questions that our colleagues from Revenue Group, who were here this morning, would have been better placed to answer. All we can really do is take your question on notice.

**Answer:**

67. Where a viable small business is unable to pay their tax by the due date and has a good history of complying with their tax obligations, the ATO will work with them to address their debt, often by granting a payment arrangement that suits the taxpayer's individual circumstances.

Small businesses that fail to pay a tax liability incur a general interest charge (GIC) which will continue to accrue until the debt is cleared. The GIC is automatically imposed by law, but the Commissioner has a discretion to remit GIC where appropriate based on a consideration of the taxpayer's circumstances, particularly the factors relevant to the late payment.