

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Australian Taxation Office

Question No: 134

Topic: Informing taxpayers about an obligation to pay a debt

Reference: Written

Senator: Ketter, Chris

Question:

1. What is the ATO's practice in informing taxpayers about an obligation to pay a debt?
2. Are taxpayers always informed by letter before the matter is escalated, or is the MyGov system sometimes the only way in which people are notified?
3. If the latter, does the ATO check whether the taxpayer has logged in to MyGov to read the message before escalating it to the next stage?

Answer:

1. If liabilities owed to the ATO are not paid by the due date a debt will be raised. The taxpayer will be informed personally about collection action the ATO is undertaking through one of, or a combination of, the following:
 - SMS messages
 - letter (via paper or myGov for individuals or sole traders)
 - phone calls.
2. If an individual taxpayer or sole trader has a myGov account linked to the ATO, then correspondence related to a debt may be sent to their myGov inbox. When the ATO sends a notification to a taxpayer through the myGov inbox they are also sent an SMS message or email that informs them of a new message.

If a taxpayer uses a tax agent to manage their tax affairs, that agent is able to view their client's correspondence with the ATO by using our online portal services.

3. The ATO uses multiple communications channels to contact taxpayers including correspondence (to the myGov Inbox and by paper mail), phone calls and SMS messages. The channel used to communicate with a taxpayer will depend on their individual circumstances and communication preferences as well as the reason for the contact or notification.

Prior to escalating debt collection to firmer actions (for example garnishees or director penalty notices), ATO procedures require that reasonable effort has been made to contact the taxpayer directly which often includes attempting a phone call.