



Media release

20 January 2020

ATO provides tax relief and assistance for people impacted by bushfires

The Commissioner of Taxation Chris Jordan today announced that he has extended a package of tax assistance for people impacted by the recent devastating bushfires in New South Wales, Victoria, Queensland, South Australia and Tasmania as part of the whole-of-government response to the disaster.

Approximately three and a half million businesses, individuals, and self-managed superannuation funds in impacted local government areas will now have until 28 May 2020 to lodge and pay business activity statements and income tax returns.

Mr Jordan said he hoped the additional time – on top of the two-month extension already granted – would give people the breathing space they need to recover and start to rebuild. “If you’ve been impacted by these bushfires, we don’t want you to be concerned about your tax affairs. Now is the time for you, your family and your community. We’ll help you sort out your tax affairs later.”

Additionally, the Australian Taxation Office (ATO) is fast tracking any refunds that are due to taxpayers in the impacted regions.

“If you run a business and you’re expecting a refund on – for example as a result of GST credits due to large purchases to replace stock – I encourage you to try to lodge or ask your tax professional to lodge your activity statements on your behalf. Refunds generated by lodging may provide some helpful temporary cash flow relief during these difficult times,” Mr Jordan said.

The ATO will also be remitting any interest and penalties applied to tax debts since the commencement of the bushfires that have been applied to accounts of individuals and businesses located in impacted regions.

Mr Jordan said taxpayers or their agents in these areas do not need to apply for a deferral, a faster refund, or remission of interest or penalties. This will be done by the ATO automatically. For people who have had documents destroyed by the bushfires, the ATO is able to assist by reissuing documents it has on hand.

For those taxpayers in affected areas with a tax debt or outstanding obligation, the ATO will not initiate debt recovery action until at least 28 May 2020. Taxpayers can also request payment arrangements for outstanding debts. The ATO will also consider releasing individuals and businesses from income tax and fringe benefits tax debts if they are experiencing serious hardship.

Affected taxpayers are also able to vary their income tax instalments to nil without penalties. This also applies if taxpayers end up in a tax payable situation for that quarter once they have lodged their tax return.

The ATO recognises the ongoing effects of this disaster, such as cash flow problems for business owners who have suffered reduced trade. This includes businesses that are not located in the identified regions.

"If you've been affected by this disaster but your postcode is not currently in the identified list, phone our Emergency Support Infoline on **1800 806 218** for tailored help."

"It's important to note that we recognise everyone's situation is different. We understand there may be situations where additional support or extensions may be required beyond the automatic deferrals that we've announced. We're standing by, ready to work with people who have been impacted on a case-by-case basis and I have made it clear to my staff that I expect them to be flexible, reasonable and pragmatic when considering each request on its merits," said Mr Jordan.

The ATO will continue to assess the impact of the bushfires and will keep the community informed as it receives more information on additional impacted postcodes and available support.

This tax assistance currently applies to multiple local government areas in New South Wales, Victoria, Queensland, South Australia and Tasmania. A complete list is available on our website at **ato.gov.au/NaturalDisasters**

Employers are reminded that they still need to meet their ongoing super guarantee obligations for their employees. Automatic deferrals do not apply to large pay as you go withholders however large withholders can contact us for assistance with their tax obligations if required.

Any member of the community impacted by disaster and needing assistance or anyone suffering financial hardship is encouraged to talk to their tax or BAS agent or contact the ATO on **1800 806 218**, when they are ready, to discuss their situation.

Additional information:

More information about assistance available is at **ato.gov.au/NaturalDisasters** including:

- A list of impacted local government areas
- Lodgment and payment deferrals
- Faster processing of refunds
- Damaged or destroyed property
- Reconstructing your tax records
- Fuel tax credits for individuals, businesses and others
- Donations to assist disaster victims
- Supporting your wellbeing, and
- Other support available.