

Government Stimulus Measure: ATO Payment Deferrals

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What is the stimulus/relief?

The ATO have advised that payment deferrals of up to six months can be arranged for individuals and businesses affected by COVID-19. This affects income tax, activity statements, PAYG instalments, FBT and excise payments. These deferrals are not automatically applied, and contact needs to be made with the ATO to arrange.

If you require an ATO payment arrangement for either an existing ATO debt or new ATO debt due to the effects of COVID-19, low interest payment plans are able to be negotiated and any interest or penalties incurred after 23 January 2020 will be considered for remission.

The ATO is also allowing businesses with less than \$20 million turnover to change their GST reporting cycle from quarterly to monthly. This will allow businesses that are due GST refunds and Fuel Tax Credit rebates to access these funds earlier than possible under their current quarterly reporting cycles. Please note that this reporting cycle must be entered into for a minimum of 12 months before you can revert back to quarterly.

If you are paying PAYG tax instalments as an individual or for your business, these can be varied to reduce the net payment required to the ATO to align with your expected income tax expense for the 2020 financial year. If instalments have already been made above your expected income tax expense, these overpayments can be claimed back and refunded.

What is aimed to do?

Reduce pressure on businesses and individuals' cash flow during the pandemic.

Who is eligible?

All taxpayers affected by COVID-19.

How do I get it?

You can either contact the ATO directly or contact us to negotiate any of the above on your behalf.

Who should use this stimulus/other considerations?

It is important to note that superannuation guarantee obligations for employees remain unchanged.

Closing comment

The government is moving quickly and things are changing daily with regards to the response to COVID-19. Should you have any queries regarding this measure or any Government measure announced in relation to COVID-19, please contact your Brentnalls Tax Specialist.