
Debt management guideline

Preamble

This guideline sets out the State Revenue Office (SRO) approach to debt management. Periodically, our policy may vary to take account of an individual's circumstances. If that happens, we will tell you what is changing and why.

Taxation revenue

State Taxation is part of the State of Tasmania's own source revenue.

Paying taxation assessments by the due date is an important part of the taxpayer's civic responsibility. It allows the State Government to provide timely infrastructure and services including:

- Health care;
- Housing;
- Education; and
- Emergency services.

Most taxpayers take this primary responsibility seriously and pay taxation by the due date.

Notices and reminders

In addition to your initial Notice of Assessment, the SRO sends further notices to remind you that your debt is due for payment. Interest is imposed on debt that remains outstanding after your initial Notice of Assessment due date expires.

Where we have your mobile telephone number and you have not opted out of SMS reminders, we will also send you an SMS where:

- you had an overdue notice in a previous year; and/or
- your Notice of Assessment remains unpaid after the 'pay by' date.

Delivery of notices

For taxes administered through Tasmanian Revenue Online, notices are delivered through that system.

For other taxes, such as land tax, notices are delivered using your most recent, preferred delivery method and to the last known address held in the SRO's records.

If a company does not pay on time, its option to receive notices at a nominated address may be removed. Future notices will then be sent to the registered office until the company can demonstrate consistent compliance with its taxation obligations.

Notices delivered by the above methods are deemed to have been properly served in accordance with [section 29AB of the Acts Interpretation Act 1931](#) and the provisions of the [Electronic Transactions Act 2000](#).

Payment arrangements

Why a bill may be overdue.

We understand there can be genuine reasons why a taxpayer has not paid a tax bill by the due date. For example, they may have:

- lost their job;
- made a genuine mistake about the level of their tax liability; or
- been unsuccessful in obtaining a personal loan or debt consolidation loan to pay their outstanding tax and other bills.

Applying for a payment arrangement.

If you are experiencing genuine financial hardship, you may apply to pay your tax debt by a series of instalments for a set period using a payment arrangement.

How applications are assessed.

An application for a payment arrangement will be considered using various factors including:

- your financial ability to meet the payment;
- whether your proposal is reasonable, considering your level of income and expenditure;
- whether other debts are being paid in preference to your tax liability;
- your previous history of meeting other payment arrangements on time;
- whether the proposed arrangement will ensure the debt will be paid off such that your liability will not increase over time; and
- what other financial options are open to you to pay your debt - for example, refinancing.

Information you may need to provide.

You may be required to provide details of your income, expenditure, assets, and liabilities as part of your application. If that information is requested and not provided, your application will be declined.

Conditions of payment arrangements.

Payment arrangements are subject to conditions that the Commissioner of State Revenue (the Commissioner) determines on a case-by-case basis. All arrangements are subject to the following conditions:

- payment of interest from the original due date of the tax bill to the date the final payment is received; and
- the taxpayer agreeing to a direct debit arrangement with the SRO for the time of the arrangement. Taxpayers must ensure that sufficient funds are available in their nominated account to cover payments on the due dates.

If conditions are not met.

Where a taxpayer does not comply with a condition of a payment arrangement, the arrangement may be withdrawn, and the full amount of tax will become immediately payable.

To apply for a payment arrangement.

To apply, complete the online [Debt payment arrangement application](https://sro.tas.gov.au/payment-arrangement) available at sro.tas.gov.au/payment-arrangement. The SRO will contact you should more information be needed.

Interest and fees on overdue amounts

Interest is imposed on debt that remains outstanding after your initial Notice of Assessment due date expires. Refer to the [Interest and Penalty Tax Ruling](#). Interest will only be remitted in accordance with this Ruling.

Fees are payable where your debt is referred to a debt collection agency. The fees are equal to the amount incurred by the SRO to recover the outstanding debt. Interest is not charged on these fees. Fees are only waived where the SRO refers your debt to a collection agency in error.

Recovery action by the SRO

The expectation is that taxpayers will pay taxes when they are due. Where this does not happen, planning begins on a course of action to recover the debt. The SRO does this in a firm, measured and fair manner.

Where your debt remains unpaid after the due date on your Final Notice, your debt will be referred to a debt collection agency.

Other actions we may take include:

- imposing a garnishee on a third party such as your bank, employer, real estate agent or solicitor;
- imposing penalties and/or interest on overdue tax bills;
- placing a caveat on a taxpayer's property which prevents certain transactions with the property, such as its sale or raising a second mortgage over that property. It may also result in your financier acting to freeze your bank accounts;
- seeking a judgement from a Court; and/or
- impounding (retaining) your property transfer document until your property transfer duty is paid.

Objections, reviews and appeals

Under [section 87 of the Taxation Administration Act 1997](#) (the Act), the Commissioner can recover outstanding tax even though an objection has been lodged.

Before your objection is determined, you can either:

- **Pay the outstanding tax.** If your objection is successful, you will receive a refund of the amount overpaid pursuant to [section 94 of the Act](#), plus daily interest at the market rate under [section 95 of the Act](#); or
- **Not pay the outstanding tax.** If your objection is unsuccessful, interest and penalty tax will be charged on the outstanding amount in accordance with the [Interest and Penalty Tax Ruling](#). Interest will be charged from the due date until the outstanding amount is paid.

Important: Please refer to the [Objections, Reviews and Appeals guideline](#). Simply disagreeing with the amount or fairness of tax or duty is not a valid ground for objection.

Outstanding debt must be paid prior to appealing a disallowed objection.

Prepaying future debt

To ease the burden of future debts, prepayments can be made through your financial institution's online banking service. You choose the amount and frequency of payments using BPay or Electronic Funds Transfer. Use the reference numbers shown under 'Payment options' on the reverse of your latest notice or Statement of Account.

Any prepayments will automatically be deducted from your next assessment.

Contact details

Phone (03) 6166 4400 or 1800 001 388
Weekdays, 9:00am to 5:00pm

Email taxhelp@treasury.tas.gov.au

Website www.sro.tas.gov.au

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