

## Improve the transparency of tax debts

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The Government has announced that from 1 July 2017 it will allow the Australian Taxation Office (ATO) to disclose debt information to credit reporting bureaus of taxpayers that are not effectively engaged with the ATO to manage their debts.

Taxpayers are encouraged to pay taxation debts in a timely manner to avoid it affecting their credit rating.

Providing transparency of tax debts owed by disengaged taxpayers aims to influence taxpayer behaviour and reduce the unfair financial advantage gained by taxpayers that do not pay their tax on time. It will also help to provide visibility of tax debt information to other businesses (such as suppliers) and credit providers.

Taxpayers who effectively engage with the ATO to resolve their debt will not have it reported.

While the specific circumstances and exceptions for disclosure are being confirmed through the consultation and design process, tax debts will only be reported where:

- the debt is for a taxpayer that has an ABN
- the debt is over \$10,000 and unpaid for over 90 days
- the debt is not in dispute
- no payment plan has been established or an existing payment plan has defaulted.

The ATO will notify a taxpayer that it intends to refer its tax debt to a credit reporting bureau before it passes on the information.

The ATO will establish agreements with credit reporting bureaus to manage the reporting and administration of tax debt information.

In conjunction with Treasury, the ATO is consulting with the community, including business, industry groups and associations (including the Australian Small Business and Family Enterprise Ombudsman), to ensure that the measure is implemented and administered effectively.

### Legislation and supporting material

This measure is not yet law and is subject to the normal parliamentary process.

Subject to passage of the law, the ATO will issue further details on how the measure will be implemented and administered.

### **More information**

- [Mid-Year Economic and Fiscal Outlook 2016-17, Appendix A, Revenue Measures - page 113 \(http://www.budget.gov.au/2016-17/content/myefo/download/09-Appendix-A-Revenue.pdf\)](#)

## See also

- [How to pay \(/general/paying-the-ato/how-to-pay/\)](#)
- [Help with paying \(/general/paying-the-ato/help-with-paying/\)](#)

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