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Brad Callaughan, of Callaughan Partners has more than nine years professional accountancy experience. He has worked in senior management roles within taxation and business services dealing with a number of clients from a range of business sectors

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Will I get in trouble for paying my taxes late?

Tuesday, 02 April | By Brad Callaughan



How strict is the ATO in enforcing late tax payments for start-ups? Do micro businesses get any leeway? It's just me, after all – I don't have an accounts department!

Unfortunately, the government and their systems may never seem fair, and this can be especially so with the 'little guy'.

The simple answer to your question is that the ATO are very strict towards collecting their debts and enforcing late payments and lodgements.

In saying this, they are not monsters and deal with each situation case by case

But the mere fact of your size will not equate to leniency. The ATO will need to consider all the factors of your situation and why you are unable to pay

They are quite good if you are a first time offender, and if they can see that you have at least tried to settle your debt or, at a minimum, have at least made contact with them

If you try to avoid this they will simply send your debt to legal action or to an external debt collector.

You may also be able to get any fines and penalties remitted along with any interest charged on the outstanding debt and then look to enter into a payment arrangement with them to pay off the debt over 24 months.

You need to be advised that should you enter into a payment arrangement, any future lodgements and debts need to be made and paid on time, otherwise you will have defaulted on the arrangement and given cause to the ATO to commence legal action

The ATO is a large government agency and dealing with them is not always easy. Your best option would be to approach a competent accountant to handle this on your behalf

Do not be frightened to pay for great advice and help. After all, that advice could save you money and stop the ATO commencing legal action against you

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