

Information Circular No: 39

*Taxation Administration Act 1996
Emergency Services Funding Act 1998
First Home Owner Grant Act 2000*

Debt Management Process

Issued 22 May 2012

Our approach to debt management

Payment of taxes is an important community responsibility which allows the State Government to provide infrastructure and services that benefits all South Australians.

RevenueSA has a dedicated debt collection team which is responsible for the recovery of any debts that are not paid by their due date which include the following:

- ▶ land tax;
- ▶ payroll tax;
- ▶ stamp duty (including land rich/land holder);
- ▶ first home owner grant and bonus/boost grants; and
- ▶ emergency services levy.

The *Taxation Administration Act 1996* (the "TAA") provides the statutory authority for the Commissioner of State Taxation to recover liabilities for land tax, payroll tax and stamp duties. The *First Home Owner Grant Act 2000* and *Emergency Services Funding Act 1998* contain their own provisions to allow for the recovery of unpaid liabilities. All unpaid taxation liabilities and those grants or rebates where the recipients of which have subsequently been deemed to be ineligible are considered debts to the Crown.

Our debt management philosophy

RevenueSA expects taxpayers to pay their liabilities by the due dates.

If a taxpayer cannot pay their tax liability in full by the due date, they or their representative should contact Debt Management Services of RevenueSA as early as possible to discuss alternative payment methods.

If a taxpayer does not pay the tax liability in full by the due date and does not contact us, RevenueSA will presume that the taxpayer is not going to pay the tax liability and will apply the appropriate strategy that is necessary to recover or secure the unpaid debt.

Our debt management methodology

RevenueSA understands that at times you may not be able to pay all of your tax debts and will work with you to develop a strategy which supports you meeting your tax obligations.

Payment arrangements

RevenueSA will work in a collaborative and pro-active manner with taxpayers who are having difficulties in meeting their debt obligations including the use of short term payment arrangements. This payment arrangement will generally be arranged over a period of less than four months, unless the taxpayer can show financial hardship where a longer period may be considered. All outstanding debts will generally be subject to market interest until the debt has been paid in full.

Generally we will ask for some form of supporting documentation to prove financial hardship. This can include the completion of an income and expenditure form, copies of payslips, ATO returns and bank statements.

Failure to provide the completed income and expenditure form and supporting documentation may result in further recovery action being undertaken to recover or secure the debt.

Instalment arrangements are subject to interest and other conditions dependant upon the tax type, the value of the debt and the length of the arrangement being sought. Generally, instalment arrangements are only provided when the taxpayer has sought assistance prior to the due date of the original assessment. Taxpayers paying via an instalment arrangement will be subject to regular reviews and are expected to finalise their debts in the shortest possible timeframe.

Failure to meet any instalment by the due date may result in the unpaid remainder of the debt becoming immediately due and payable, unless prior approval to either delay or miss an instalment payment has been granted by RevenueSA.

Other actions RevenueSA may take will include (but not be limited to):

- ▶ court proceedings pursuant to relevant jurisdictional legislation;
- ▶ S.459E Notice (Notice to Wind Up In Insolvency) pursuant to the *Corporations Act 2001*; and
- ▶ processes pursuant to specific taxation legislation:
 - caveat over real property;
 - charging order over real property;
 - garnishee for any money due and owing to a taxpayer including from a third party, relevant bank accounts and/or rental income;
 - imposition of penalty tax;
 - imposition of interest;
 - Warrant of Sale; and
 - joint and several liabilities – vendor and purchaser, group members and registered proprietors of property.

All costs/charges incurred in the recovery of the debt will be passed onto the taxpayer.

Please note, in relation to stamp duty matters instalment arrangements are not available as full payment of the duty is generally required at settlement.

Objections/Appeals

Where you have lodged an objection to an assessment or decision RevenueSA are still able to take action to recover the outstanding debt. Where required, RevenueSA will take some form of action to protect our interests such as placing a charge or caveat over property.

It is in your best interests to discuss these issues with RevenueSA when you lodge your objection to prevent any further debt recovery action proceeding whilst a matter is subject to an objection.

Additionally you need to note that interest will continue to accrue on your outstanding debt. It is suggested that you should make payments towards the debt to minimise the impact on you should the objection not be determined in your favour.

In matters where a taxpayer lodges an appeal to the Commissioner's assessment/decision or the Minister's determination, the outstanding debt must be paid in full prior to lodgement of the appeal with the Court (other than for first home owner grant debts).

Interest and Penalty Tax

Please refer to [Revenue Ruling TAA001](#) regarding the application of Interest and Penalty Tax for those Acts covered by the TAA.

All requests for a remission of interest and/or penalty tax must be made in writing to the Commissioner.

Mike Walker
COMMISSIONER OF STATE TAXATION

22 May 2012

Further Information

Further information can be obtained from RevenueSA.

Location	RevenueSA State Administration Centre 200 Victoria Square East ADELAIDE SA 5000
Postal	Commissioner of State Taxation RevenueSA GPO Box 2149 ADELAIDE SA 5001
Telephone	(08) 8226 3725 1800 676 198
Facsimile	(08) 8207 2289
Email	revenuesadms@sa.gov.au
Website	www.revenuesa.sa.gov.au