

## Tax Payment Obligations and Small Business Tax Break

The ATO is helping small business meet tax payment obligations by allowing 12 month interest free terms on tax debts. To obtain this interest free period a taxpayer must enter into a payment arrangement and adhere to the repayment schedule. It is best for the taxpayer to approach the ATO directly to obtain the best result.

Once an agreement is entered into any new tax debts must be paid as falling due or new agreements entered into. As with any loan being repaid it is important to advise the 'lender' of any late payments or changes in circumstances. The earlier the ATO is advised of any difficulty etc the more likely it is to give a positive response.

The small business tax break of 50% on new assets ends at 31 December 2009. The assets must be paid for and used in the business by this date to obtain the tax deduction. Therefore, now is the time to determine whether your business can benefit from purchasing new equipment etc.

From all reports, we are coming out of recession and the economy is getting better. What we do need is rain – but we can't do much about that. However, as the economy grows it is expected that interest rates will go up. It is a good time to talk to your bank/financier and your financial advisor to check that your business and personal loans are appropriate for the expected rises in interest rates and make any adjustments necessary eg lock in a fixed rate.

Given that recent times have been tough it is a good opportunity to evaluate the prices you charge for products and services to implement sustainable price rises in the near future. For salary and wage earners it may be time to approach your employers and put forward arguments to get that much needed pay rise.

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