Managing small business tax debt

Fast facts

Tax debt is money owed to the ATO that hasn't been paid by the due date.

If you don't pay your tax amounts on time you will be charged general interest charge (GIC) and may face firmer action by the ATO. Depending on your situation you may also receive other charges and penalties.

You can take steps to prevent tax debt by:

- understanding your tax obligations and lodging and paying on time to avoid GIC and penalties
- managing your small business's cash flow
- setting aside money for tax, making pre-payments towards your tax or voluntarily signing up for pay as you go instalments (PAYG) instalments
- keeping good records and using digital ATO tools and software
- contacting the ATO early if you are having difficulty lodging and paying.

The ATO has a range of options that can help you manage your tax debt. Remember, you are not alone and support is available.

A key step to getting on track is seeking help early. Ignoring the problem or delaying asking for help only makes the situation worse.

Contact the ATO, your registered tax professional or one of the trusted debt services listed in the Quick links.

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