



Payments and reporting

Answers to questions on:

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Payments due before 23 January 2020

Question: Can I defer the due dates for tax payments that were due **before** 23 January 2020?

Answer: No, you cannot defer due dates for tax payments that were already due before 23 January 2020.

However you can request a:

- remission of interest that has accrued on those debts from 23 January 2020
- low interest payment arrangement. Also see questions about [Interest and penalties](#) ([?anchor=Interestandpenalties#Interestandpenalties](#)).

Payments due from 23 January 2020

Question: Can I defer the due dates for tax payments that were due **after** 23 January 2020?

Answer: You can request a deferral of due dates for tax payments that were due after 23 January 2020 and which you have not yet been able to pay. Also see questions about [Interest and penalties](#) (?anchor=Interestandpenalties#Interestandpenalties).

PAYG instalment rates and payments

Question: I am not going to make enough income from my business, distributions or investment income this year to have a tax liability. Can I claim back the PAYG instalments I have already paid?

Answer: Yes – if the instalments you have been paying will be more than the tax liability you will owe at the end of the year, you can vary the instalment amount on your next activity statement.

Where you choose to vary your PAYG instalments we won't apply penalties or charge interest to varied instalments for the 2019–20 financial year.

You can vary your amount to either:

- zero, to make no payment this period
- a reduced amount, to cover what you estimate you need to pay for this period.

If you have varied your rate or amount down you can also claim a 5B credit for the amount you have already paid this financial year when you lodge your activity statement.

This will generate a refundable credit for the amount you have already paid when you lodge your activity statement.

Question: I am a taxpayer with an approved substituted account period (SAP). Can I vary my pay as you go (PAYG) instalment amount?

Answer: Yes. To the extent that the variation relates to PAYG instalments made by you during the affected SAP, you can vary your PAYG instalments on your activity statement.

Where you choose to vary your PAYG instalments we won't apply penalties or charge interest to varied instalments for the 2019–20 financial year.

Question: Can I vary my PAYG withholding amounts from employees to zero on my next activity statement, in the same way as I can vary my PAYG instalments?

Answer. No. Variations to your PAYG instalment liability only applies to instalments you pay towards your own tax liabilities. It does not apply to tax you withhold from your employee wages. You will still need to report and pay these amounts.

Question: I'm an entity that will receive a refund from varying my PAYG instalments because of the impacts of COVID-19. This may result in my franking account balance being in deficit at the end of the 2019–20 financial year. I have two questions:

1. Will the Commissioner waive or remit my franking deficit tax (FDT) liability?
2. Will the Commissioner consider exercising his discretion to not reduce the available offset?

Answer to 1: No. The FDT liability cannot be waived or remitted under the law.

If your franking account balance is in deficit at the end of the 2019–20 financial year you must:

- lodge a franking account tax return
- pay the FDT liability by the last day of the month immediately following the end of the financial year.

The FDT liability will generally be due by 31 July 2020. If you are unable to pay by that date you can request a payment deferral. We will consider a deferral of the payment up to 30 September 2020.

Answer to 2: Yes. While the FDT liability cannot be waived or remitted, it can be claimed as a tax offset. In some circumstances, the available tax offset may be reduced by 30% unless the Commissioner exercises his discretion to not reduce the available offset.

If the deficit in your franking account was due to the unexpected downturn in your business directly related to COVID-19, and the deficit relates to franked dividends paid before 1 March 2020, the Commissioner will allow a franking entity to manage their tax affairs as if the Commissioner has exercised the discretion to not reduce the available tax offset. In these circumstances, the full amount of the tax offset entitlement created by the franking deficits tax liability will be available to the franking entity.

If your situation is different, contact us to discuss your circumstances.

Lodgment deferrals

Question: I have a deferred lodgment date for my 2019 tax return because I usually lodge through my tax agent. However, my tax agent is closed due to COVID-19. Can I lodge my own return online by the deferred due date?

Answer: Yes, you can lodge your own return online if you can no longer lodge through your agent. If you are entitled to a refund, you don't need to contact us and we will process your return as quickly as we can. If you are expecting to have an amount to pay from your assessment, contact us after you lodge so we can ensure you are not charged a late lodgement penalty, and we can defer your payment due date.

Excise and fuel tax credits

Question: What if I can't lodge my excise return or pay amounts owing due to COVID-19?

Answer: You need to contact us to discuss alternative arrangements.

Question: Can I get a fuel tax credit for my business use of fuel without lodging a business activity statement?

Answer: No – you need to make a claim for fuel tax credit on your business activity statement.

Question: Do I need to pay excise duty if I manufacture hand sanitiser?

Answer: Hand sanitiser does not usually attract excise, as its alcohol content has typically been treated (denatured) to make it unfit for human consumption. Denatured spirit may also be suitable for making other commercial cleaning products, and can be purchased without restriction. If you hold an excise manufacturer licence to distil spirits, you can make alcohol to manufacture into hand sanitiser.

We are simplifying and fast-tracking our advice and processes to support the further production of hand sanitiser during these difficult times.

More information is available on [ato.gov.au/alcoholexcise/\(/business/excise-and-excise-equivalent-goods/alcohol-excise/\)](https://ato.gov.au/alcoholexcise/(/business/excise-and-excise-equivalent-goods/alcohol-excise/)).

Companies with substituted accounting periods

Question: I'm a company with an approved substituted accounting period (SAP) for an early balance date and I'm entitled to a refund. Can I lodge my company tax return early and receive the refund straight away?

Answer: You will be able to lodge your company tax return before the lodgment due date and receive a refund immediately if the company:

- is a full self-assessment taxpayer, and
- has an approved SAP with a balancing period that has concluded.

For example, if you have an approved SAP with an early balancing period ending on 31 December 2019, your ordinary lodgment due date would be 15 July 2020. If you choose to lodge your 2020 tax return before that date, you can receive your refund immediately.

However, if you have a debt with us and you are due to receive a refund we are required by law to use the refund or credit to reduce your debt. If you don't want this to happen, contact us to discuss your circumstances.

Statement of Tax Record

Question: I'm seeking to defer tax payments and lodgments because of the impact of COVID-19 on my business. Can I still meet the criteria to obtain a satisfactory Statement of Tax Record (STR) for the purpose of tendering for Commonwealth Government contracts?

Answer: Yes. If we have agreed to defer the due date for your tax payments or lodgments you can still meet the relevant criteria for a satisfactory STR. This is because you won't have an outstanding tax payment or lodgment. You must still lodge or make your tax payment by the deferred due date.

Where you have a tax debt (for example income tax, PAYGW or GST) on our system, you must contact us to discuss payment options. Where we agree to a payment plan you will still meet the criteria relating to the payment of a tax debt.

Return to:

- [COVID-19 frequently asked questions \(? anchor=COVID19frequentlyaskedquestions#COVID19frequentlyaskedquestions\)](#)

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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