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Your ATO debt may affect your credit rating!

The government has released draft legislation that will allow the ATO to disclose tax debt information to registered credit reporting bureaus (CRBs).

CRBs may include tax debt information in their credit reports, which are available to parties who wish to use this information to make an informed decision on the credit worthiness of a business.

Will your business be affected?

The ATO will only disclose tax debt information where a business:

- has an ABN
- debt is over \$10,000
- debt is more than 90 days overdue
- is not effectively engaging with the ATO to manage its tax debt (effective engagement includes establishing a payment plan or disputing tax debt)

If your business meets all of the above conditions, the ATO will notify you of its intention to disclose this information. You have 21 days in which to respond.

Notification to CRB's is likely to affect your credit rating which may impact on your ability to access credit from suppliers and new finance arrangements.

Steps to take to avoid the problem

- Ensure all Activity Statements are lodged on time
- Contact ATO immediately when having difficulty paying debt
- Discuss putting in place a payment arrangement
- Resolve any dispute over outstanding amounts as soon as possible

For all up to date information on *Merit Alert* topics contact the team at Merit Partners:

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