

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

21 – 22 October 2009

**Topic: Deceased Estates**

**Hansard Page: Written**

**Question: sbt 7**

**Senator PARRY asked:**

1. Regarding a tax debt owing for a deceased estate, does interest accrue on a debt if it takes over 30 days to process?
2. Is any special effort made to expedite these assessments and requests for further information?

**Answer:**

1. Under the *Taxation Administration Act 1953* (TAA) interest does accrue however the Commissioner takes individual circumstances into account.

Where an income tax return for a deceased estate is lodged on or before the due date for lodgment, general interest charge does not accrue on any resulting debt until:

- 21 days after the due date for lodgment, or
- at least 21 days after the notice of assessment is issued (whichever is the later).

The TAA provides the Commissioner with the discretion to remit all or part of the general interest charge depending on the circumstances. In the case of a deceased estate, the trustee may request remission of the general interest charge.

2. The ATO has protocols and timelines which apply to processing an income tax return for a deceased estate. If the executor or administrator requests for the assessment to be expedited the ATO will seek to assist.

The ATO's approach ensures that it works with the executor or administrator to find a solution that fits the circumstances of the estate and, where appropriate, the beneficiaries.