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Dispute interest or penalties

You can ask us to remit (reduce) interest charges or remit (reduce) or cancel penalties on unpaid tax liabilities.

Remission of interest charges

Find out how we apply interest and how to ask us to remit (reduce) your interest charges.

Remission of penalties

Why penalties apply and how we assess requests for penalty remission.

QC 33806

Remission of interest charges

Find out how we apply interest and how to ask us to remit (reduce) your interest charges.

Last updated 22 January 2026



Changes to our remission request processes

We've made interim changes to this page to address some of the existing irritants while we await the

outcomes of our broader review of taxpayer relief provisions.

Why interest applies

When tax is underpaid or not paid in full and on time, by law interest charges apply. The law also determines the rate of interest.

[General interest charge](#) (GIC) on unpaid tax liabilities and [shortfall interest charge](#) (SIC) on tax shortfall amounts are applied to:

- encourage timely payment of tax
- ensure taxpayers who underpay taxes (where we have to amend your assessment) or pay late don't have an unfair financial advantage over taxpayers who pay on time
- compensate the community for the cost of late payment.

It is important to remember that GIC applies to unpaid tax debts and is calculated daily. GIC will continue to accrue while you have an overdue debt on your account.

When we can remit interest

In certain circumstances we have the power to remit all or part of interest charges you owe.

How to request a remission of interest

To request a remission of GIC or SIC, visit [How to request a remission of interest and failure to lodge penalties](#).

How we decide whether to remit interest

We use the information you provide as well as other information available to us, to consider your request.

GIC remission

You'll need to provide us with enough information so we can decide whether to remit the GIC, this may include:

- the specific event or circumstances that caused the delayed payment resulting in GIC
- how this prevented you from paying by the due date – this may include explaining the likelihood you would have paid on time if it wasn't for the specific event or circumstance
- what steps you've taken to reduce the effects of the circumstances
- any supporting evidence or information that would help us to understand your situation.

We'll also consider:

- if you were responsible for the delay in payment or if it was outside your control
- whether it's fair and reasonable to remit the GIC if you were responsible for the delay
- your prior compliance and payment history.

Generally, we would consider remission requests more favourably if the late payment is out of pattern with your otherwise on time lodgment and payment behaviours over the last several years. When the GIC amount is relatively low, for example \$2,500 or less, your positive compliance history will strongly influence our remission decision.

You can read [examples of GIC remission requests](#) to guide you on the common circumstances we see and the likelihood that we may remit part or all of your interest.

When deciding your remission request, we consider the policy set out in [PS LA 2011/12](#) *Remission of General Interest Charge*.

SIC remission

In deciding whether to remit SIC, we may consider things like:

- your prior compliance and payment history
- reasons for increased tax or reduced credits that led us to imposing SIC
- how we became aware of the shortfall, whether as a result of your voluntary disclosure or our own compliance efforts

- the specific circumstances of your request, including the extent to which our delay or some other factor contributed to your liability to SIC
- what possible factors beyond your control were responsible for the size of the shortfall amount and duration to which SIC was calculated.

For more information and examples of SIC remission requests, see [PS LA 2006/8](#) *Remission of shortfall interest charge and general interest charge for shortfall periods*.

Deductibility of interest

GIC or SIC incurred on or after 1 July 2025 [can't be claimed as a tax deduction](#). As the interest incurred after this time is not deductible, any GIC or SIC that is later remitted doesn't need to be included as assessable income in your tax return.

Your review rights

If we decide not to remit the interest charge in full, we will send you a letter to explain our decision.

If you disagree with our decision not to remit, for:

- GIC
 - if you have left out a key piece of information that you think would change the decision or you believe we have made a particular error in deciding your request, you can submit a new request
 - you won't be able to lodge an objection with us or have the decision reviewed by the Administrative Review Tribunal (ART), but you may seek judicial review of our decision in the [Federal Court](#) under the *Administrative Decisions (Judicial Review) Act 1977*.
- SIC
 - if the amount you still have to pay is more than 20% of the shortfall itself, you can [object to our decision](#) not to remit. If the amount you still have to pay is 20% or less of the shortfall itself, you can [request a review](#) of the decision.

- if you are dissatisfied with our objection decision, you can seek review by the Administrative Review Tribunal (ART). You may also seek judicial review of our remission decision in the [Federal Court](#) under the *Administrative Decisions (Judicial Review) Act 1977*.

For more information, see [Decisions you can't dispute via an objection](#).

For more information on our commitments to you, visit [Our Charter](#).

Support for people experiencing vulnerability

If you're facing challenging personal circumstances and need help managing your tax obligations, visit [Tax support when you need it most](#) for other support options available to people experiencing vulnerability.

How to request a remission of interest and failure to lodge penalties

Request a remission of general interest charge (GIC), shortfall interest charge (SIC) or failure to lodge (FTL) penalty.

Examples of GIC remission requests

Examples where we may be likely to accept or more likely to decline general interest charge (GIC) remission requests.

QC 33808

How to request a remission of interest and failure to lodge penalties

Request a remission of general interest charge (GIC), shortfall interest charge (SIC) or failure to lodge (FTL) penalty.

Last updated 10 April 2026



Changes to our remission request processes

We've developed this page to address some of the existing irritants while we await the outcomes of our broader review of taxpayer relief provisions.

Considerations for remission

Before you request a remission of interest charges or failure to lodge (FTL) penalty, read about the information you should provide us and some examples that will help you determine if your circumstances are likely to warrant remission.

- [Remission of interest charges](#) – general interest charge (GIC) or shortfall interest charge (SIC).
- [Remission of penalties](#) – FTL penalty.

Supporting evidence

It's important to ensure any circumstances you want considered are included in your request. Where we believe more evidence is required, we may contact you. Examples of evidence could include medical certificates, letters from tax professionals, financial statements, police reports, outcomes of court proceedings, court orders, letters from financial institutions.

In addition to the information you provide with your request, we will also have access to information we have available on our systems including your lodgment and payment history, and assets you own such as real property, vehicles, boats and shares. This information may be used to help us make a decision.

Request a remission

Make sure you request a remission using the following channels.

Registered tax and BAS agents

Registered tax and BAS agents need to request remissions using the correct remission application form and submit it through our [online services](#). Forms are available for GIC, SIC and FTL penalty remissions.

If you don't have access to Online services for agents, you can still phone our [Registered agent phone line](#) to request a remission. We'll complete the form on your behalf and submit it to a dedicated team for a decision. Completed forms can also be mailed to us.

Legal practitioners

Legal practitioners can submit the relevant form to request a remission of GIC, SIC or FTL on behalf of their client by:

- [mail](#)
- [phone](#)

When you phone us to request a remission, we'll complete the form on your clients' behalf and submit it to a dedicated team for a decision. Completed forms can also be mailed to us.

Businesses including sole traders

Businesses (including sole traders with an ABN) can request a remission of GIC, SIC or FTL by:

- using the relevant form and submitting through our [online services](#)
- [phone](#)
- [mail](#)

Individuals

Individuals can request a remission of GIC, SIC or FTL by:

- [phone](#)
- [mail](#).

Online services

Remission application forms

Completing the correct application form and attaching in online services will:

- guide you to provide the information we need to make a decision
- reduce the need for us to contact you for additional information.




You need to complete a separate form for each taxpayer and penalty or interest type (for example, separate forms for GIC and SIC).

Don't submit separate forms for different accounts. For example, you should submit one GIC remission application form for both income tax and activity statement.

Requests submitted using an incorrect form won't be processed and we'll ask you to resubmit using the correct one.

Get the remission form

Download and complete the relevant remission form, as follows:

- GIC – [ATO GIC remission application form \(XLSX, 68.5KB\)](#) .
- SIC – [ATO SIC remission application form \(PDF, 68.5KB\)](#) .
- FTL – [ATO FTL remission application form \(PDF, 68.5KB\)](#) .

We may update forms regularly for useability, so ensure you download the form for each application.

Submitting the form in online services

Make sure you submit each form in a separate mail message.

Submit your form using the following steps:

1. Log in to [Online services for individuals and sole traders](#) (for sole traders with an ABN), [Online services for business](#) or [Online services for agents](#) and open a new mail message, using
 - [Practice mail](#) for tax professionals
 - [Secure mail](#) for businesses and sole traders.
2. Select the **Topic** that your interest charge or FTL penalty relates to (for example, if your request relates to an income tax debt or lodgment, you would select income tax). If it relates to multiple accounts, you only need to select one.

3. Select the relevant **Subject** (for example, Remission of general interest charge, Remission of shortfall interest charge or Remission of failure to lodge penalty).
4. Attach your completed remission application form and any relevant evidence.
5. Select the declaration, then **Send**.

The GIC application form must be submitted in EXCEL format only.

Phone us

Taxpayers can generally request remissions over the phone. If the request relates to interest or penalty amounts of more than \$2,500, it will be escalated to a dedicated team. This means you won't receive an immediate decision.

You can request a GIC or FTL remission by [contacting us](#).

You may also be able to request a SIC remission [by phone](#), if:

- SIC was calculated on an amount larger than your amendment assessment (for example, if your pay as you go withholding credits weren't included to reduce the shortfall)
- SIC was calculated after you paid your tax
- we took longer than the service standard time to issue your amended assessment and you incurred SIC.

SIC requests which do not meet the criteria above need to be submitted in writing.

Mail

If you can't submit your request using online services or by phoning us, you can mail us a [completed application form](#). These forms were created for use by tax professionals and businesses in online services, but they can be completed, printed and mailed by any taxpayer. Using the correct form will help you provide us with the information required to assess your application.

For all FTL requests and GIC or SIC requests relating to income tax and activity statement liabilities, send your completed form to:

**AUSTRALIAN TAXATION OFFICE
PO BOX 327
ALBURY NSW 2640**

For GIC or SIC requests relating to fuel schemes and non-BAS claimants of wine equalisation tax and fuel tax credits, send your completed form to:

**AUSTRALIAN TAXATION OFFICE
PO BOX 3007
PENRITH NSW 2740**

Outcome of your request

If your request is declined, we will notify you in writing. The letter will explain why we have made the decision and any review rights you have available if you disagree with our decision.

QC 106065

Examples of GIC remission requests

Examples where we may be likely to accept or more likely to decline general interest charge (GIC) remission requests.

Published 22 January 2026



Changes to our remission request processes

We've developed this page to address some of the existing irritants while we await the outcomes of our broader review of taxpayer relief provisions.

Understanding our GIC remission process

We are guided by the Law Administration Practice Statement [PS LA 2011/12 Remission of General Interest Charge](#) in making remission decisions.

The examples on this page have been developed with the purpose of:

- providing more clarity on our decision-making process
- informing taxpayers of situations when we would be likely to accept or decline remission of GIC requests.

For more information on how we decide whether to remit general interest charge (GIC) visit [Remission of interest charges](#).

Each request is reviewed on its own merits, so the individual circumstances of requests will be considered when deciding to accept or decline a remission request. These examples are a guide to some of the more common circumstances we see and the likelihood that we may remit part or all of your interest.

The information on this page is intended to help you decide whether your circumstances may warrant remission.

GIC requests we would likely accept

While each case is decided on its own merits, the following are some circumstances where it's likely that your request for remission would be approved:

- where you (or your tax or BAS agent) have been impacted by natural disaster (such as fire, flood or drought)
- where industrial action has impacted you or your tax or BAS agent
- unforeseen collapse of a major debtor
- sudden ill health of an individual, sole trader or key personnel in a small business
- sudden ill health of your tax or BAS agent where it was not practical to make alternative arrangements to meet your obligations
- theft of, or damage to property critical to business operations
- where you have experienced or are currently experiencing financial abuse, coercive control, family and domestic violence or other circumstances that contribute to experiencing vulnerability that impact your ability to meet your tax obligations

- bereavement of a family member.

We consider remission more favourably if the late payment is out of pattern with your otherwise on time lodgment and payment behaviours over the last several years.

Examples

These examples include the types of scenarios where a request for remission of GIC would likely be accepted.

Example 1: natural disaster

Charlie, who is a sole trader running his business from home, had his home damaged during a flood. Charlie relocated to earn an income while repairs were made, the business relocation costs meant he was unable to pay debts resulting from the June to December 2023 quarters.

Once the business situation was under control, Charlie supplied documentation detailing their circumstances and requested remission of GIC accrued for these periods.

We remitted the GIC in full as Charlie took steps within a reasonable amount of time to address the circumstances impacting his ability to pay.

Example 2: hospitalisation

Sole trader, Shannon, had an unpaid income tax debt from November 2023. During that period, she was hospitalised and unable to run her business. This resulted in a loss of income and prevented her from paying the debt on time.

After recovery, Shannon needed some time to get back on track and set up a payment plan to pay her debts.

We remitted the GIC accrued as Shannon:

- demonstrated circumstances beyond her control

- took reasonable steps to reduce the delay in payment
- has a strong history of paying on time.

Example 3: theft or damage to property

Ros and Co is a small business. Their essential equipment was stolen and replacing it created unexpected costs. This reduced their cashflow and they didn't pay their BAS on time. The business filed a police report and lodged an insurance claim. They paid the BAS as soon as they received the insurance payout.

We remitted the GIC accrued as the business:

- demonstrated circumstances beyond their control
- took reasonable steps to reduce the delay in payment
- has a strong history of paying on time.

Example 4: unforeseen collapse of a major client

In April, a major client of TerryCo (a medium sized plumbing business) went into receivership, leaving an outstanding debt to TerryCo of \$50,000. This impacted TerryCo's cash flow and ability to pay their March BAS.

TerryCo contacted the ATO before the BAS due date and entered a 3-month payment plan to resolve the debt.

Once the payment plan was complete, they requested a remission of the GIC.

We remitted the GIC accrued as the business:

- demonstrated circumstances beyond their control
- took reasonable steps to reduce the delay in payment

- had a strong history of paying on time.

Example 5: taxpayer experiencing vulnerability

Jess recently left a relationship where she was experiencing family and domestic violence. During that time, her former partner controlled her finances and tax affairs. As a result, she was unable to meet her tax obligations, and a tax debt remained unpaid. Jess has been doing casual work for the last 2 years, but her circumstances meant she was unable to lodge or pay tax.

After leaving the relationship, Jess contacted us and engaged a financial counsellor for support with her financial situation and rising tax debt.

We remitted the GIC accrued as Jess:

- demonstrated circumstances that affected her ability to pay, that weren't within her control
- took steps to minimise the impact of these circumstances by engaging with us as early as reasonably possible
- demonstrated a clear link between the circumstances of domestic violence she experienced and why she was unable to lodge or pay on time.

GIC requests we would likely decline

While each case is decided on its own merits, the following are some circumstances where it's unlikely that your request for remission would be approved:

- adverse business conditions that impact cash flow
- general economic downturn
- fluctuations in currency or exchange rates
- general business risks such as late payment of invoices by a creditor

- using monies to expand your business instead of paying your overdue taxes
- missing a lodgment or payment date because you did not give your tax or BAS agent sufficient time to meet deadlines
- being on holidays when your lodgment or payment is due as you are expected to make arrangements to meet your obligations.

Examples

These examples include the types of scenarios where a request for remission of GIC would likely be declined.

Example 6: economic downturn

Ali Co has unpaid GST debt for the June, September and December 2023 quarters. Rising supply costs and interest rates impacted their cash flow and, while they continued trading, it impacted their business.

Ali Co supplied documents detailing their circumstances and requested a remission of GIC for these periods.

We declined Ali Co's request, as the general economic downturn also impacted the broader business community, most of whom still paid on time. Adverse effects on cashflow due to general economic downturn will not usually qualify for remission.

Example 7: finalised a payment plan

Samantha, a salary and wage earner, incurred an income tax debt after selling a property and being subject to capital gains tax. She didn't pay her tax on time because she reinvested the proceeds of the sale.

To manage the repayments, she set up an 18-month payment plan.

Once the payment plan was complete, she requested a remission of the GIC.

Samantha's request was declined because:

- her circumstances were within her control as she had the means to meet the tax debt but decided to reinvest the funds she had available instead of paying it. Her financial position demonstrated she could have repaid sooner
- remission would not be considered fair or reasonable.

Example 8: illness of key staff

XYZ Co is a medium size company with an unpaid PAYGW debt from the March 2024 quarter. The director of the company was unable to work for 4 months due to a severe illness.

During this period, the company continued trading (with no decrease in sales), paying invoices, and processing payroll. The other directors of the company were also able to continue managing the company during this period. When the ill director recovered, they followed up with their internal accountant to pay the debt. The company did not contact us during this time and had a history of not lodging or paying on time.

We declined the company's request for a GIC remission as they:

- failed to demonstrate how the director's illness impacted their ability to pay on time
- have a history of not lodging or paying on time, and based on that history it was reasonable for us to conclude they would have not paid on time regardless of the circumstances.

Example 9: third party information

Sarah lodged her 2023–24 tax return and paid her tax liability late. She was granted a 3-month lodgement and payment deferral due to a delay in receiving trust distribution information. She lodged and paid 3 months after the deferred due date. The

trust distribution information was available before that deferred due date.

Sarah isn't involved in the operation of the trust, and advised that she didn't make any attempts to get the trust distribution information sooner. Sarah had a history of not paying on time.

We declined Sarah's request for a GIC remission, because while she demonstrated circumstances beyond her control initially impacting her ability to lodge and pay on time, she didn't take reasonable steps to meet her obligations once those circumstances changed, having received the trust distribution information before the deferred due date.

Sarah:

- had an additional 3 months to lodge and pay without incurring interest or other penalties due to the deferral
- didn't contact us once her deferred due date passed to inform us of the delay
- didn't attempt to obtain the trust distribution information earlier, and once it was available, did not lodge by the deferred due date
- has a history of not paying on time.

Example 10: within the taxpayer's control

Neville earns wages as a ship's captain. He also receives investment income. Neville lodged his 2022–23 tax return 6 months late. The lodgment resulted in an amount payable, which he then paid in full. However, Neville accrued GIC which was backdated to the original due date.

Neville works overseas from time to time and wasn't concerned with lodging on time as previous late lodgments had resulted in refunds.

We declined Neville's request for a GIC remission request, as:

- his circumstances were within his control

- it wouldn't be fair and reasonable to remit the GIC as he should have made appropriate arrangements to ensure he lodged on time
- he has a history of late lodgment and he has an obligation to lodge on time regardless of if the outcome is a credit or debit.

QC 106067

Remission of penalties

Why penalties apply and how we assess requests for penalty remission.

Last updated 22 January 2026



Changes to our remission request processes

We've made interim changes to this page to address some of the existing irritants while we await the outcomes of our broader review of taxpayer relief provisions.

Why you may have a penalty

You're required to meet your tax obligations and when you don't, [penalties](#) may apply.

The purpose of penalties is to encourage taxpayers to voluntarily comply with their obligations.

The law specifies the conditions under which a penalty is applied, and the amount of the penalty.

How to dispute or request remission of a penalty

In certain circumstances we have the power to remit all or part of the penalty.

You can dispute some types of penalties only by lodging an objection. For other types of penalties, you can ask us to remit it.

Penalties you can dispute through an objection

You can lodge an [objection](#) if you're disputing certain assessed penalties, including:

- false or misleading statement penalties
- where we have determined your tax-related liability in the absence of a document that you failed to provide to us (such as a tax return).

You can read more about [eligibility to lodge an objection](#).

Penalties you can ask us to remit

For penalties you can't object to, you can ask us to remit it in full or in part. This applies to most penalties, including penalties for failing to lodge documents on time and failing to withhold pay as you go withholding amounts.

Failure to lodge penalties

To request a remission of [failure to lodge \(FTL\) penalties](#), visit [How to request a remission of interest and failure to lodge penalties](#).

Other penalties

To request a remission for other penalties, you can write to us either:

- through Online services – for [business](#) or [agents](#)
- by sending a letter to

AUSTRALIAN TAXATION OFFICE
PO BOX 327
ALBURY NSW 2640

Make sure to include:

- your full name

- your contact details
- your tax file number (TFN) or Australian business number (ABN)
- the reference number from the letter advising you of our decision to apply a penalty
- the reasons you think it is fair and reasonable for us to remit or cancel the penalty in your situation
- details of the penalty amounts (\$) and dates the penalties were applied (if known).

How we assess a request

Taxpayers who under-report their income, overclaim credits, or delay paying their tax should not gain an unfair advantage over taxpayers who do the right thing.

In deciding whether to remit a penalty, we consider things like:

- your general compliance history
- whether you have any outstanding tax returns, activity statements or other forms
- whether you have any tax debts.

For shortfall penalties we also consider:

- the reasons for the increased tax (or reduced credits) that led to you having a penalty
- whether we became aware of the shortfall because of our compliance efforts.

Compliance history

We will generally treat taxpayers with a good compliance history more favourably than those who aren't compliant. The weight we give to your compliance history varies depending on the circumstances.

A good compliance history is generally one where you:

- have a history of meeting all your lodgment obligations on time (including lodging activity statements and tax returns)
- have paid all non-disputed debt (or have a payment plan)

- haven't recently been liable for another penalty.

We also consider your personal circumstances and the reason you may have outstanding lodgments and payments, and whether you were willing, but unable to comply due to circumstances outside your control or due to you experiencing vulnerability.

Our decision

If we decide not to remit the penalty amount in full, we will send you a letter to explain our decision. The letter will explain your review rights, if you disagree with our decision.

Support for people experiencing vulnerability

If you're facing challenging personal circumstances and need help managing your tax obligations, visit [Tax support when you need it most](#) for other support options available to people experiencing vulnerability.

QC 33796

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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