

2 Debt disputes

Debt disputes are not about how much tax you have to pay, but about how to pay - including if deferred payment or payment by instalments is an option.

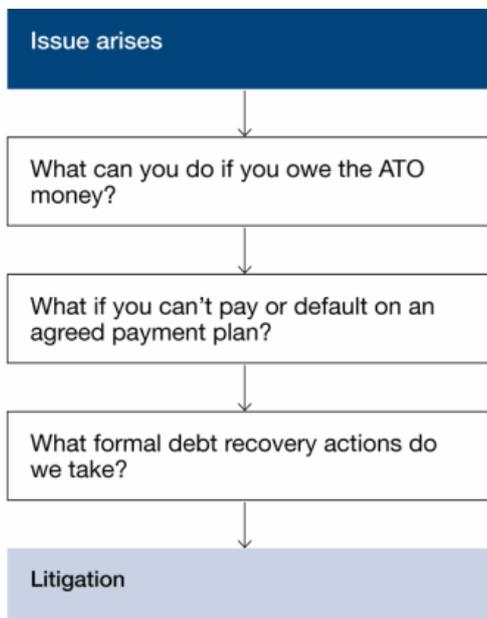
We have an obligation to collect all money legally owed to the Commonwealth, therefore we usually cannot accept less than the full amount.

If your debt reaches the formal debt recovery stage involving legal action, we will continue to consider suitable processes, including dispute resolution processes to resolve the issue prior to, and potentially during, litigation.

Disputes relating to debt matters, include:

- legal action to recover a tax liability – see our [Guide to managing your tax debt \(/General/Paying-the-ATO/Help-with-paying/?anchor=Disastersandhardship#Disastersandhardship\)](#)
- legal action to recover director penalties – see [Firm action approach to debt collection \(/General/Paying-the-ATO/If-you-don-t-pay/?anchor=Strongeraction#Strongeraction\)](#)
- insolvency proceedings (including bankruptcy and winding up action)
- actions in relation to an unfair preference or other voidable transaction, or where the Commissioner seeks an indemnity from a company director - see preference payments for individuals and preference payments for companies.

Debt dispute process



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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