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Help for drought-affected taxpayers

- https://www.ato.gov.au/General/Financial-hardship/In-detail/Help-for-drought-affected-taxpayers/ (https://www.ato.gov.au/General/Financial-hardship/In-detail/Help-for-drought-affected-taxpayers/)
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Help for drought-affected taxpayers

Together with the Department of Agriculture and Water Resources, local, state and other federal government agencies – we are offering help and support for Australians:

- experiencing hardship because of drought
- preparing for future drought conditions.

If you've been affected by drought, we can help by looking at your individual circumstances and working with you to address any difficulties you are having managing your tax obligations.

Greater flexibility to meet your obligations

We can help by:

- giving you more time to pay
- waiving any penalties or interest we have charged during the time you have been affected by drought
- offering a payment plan that suits your circumstances, including interest free periods
- showing you how to change your pay as you go (PAYG) instalments to better suit your circumstances.

Remember to lodge by the due date even if you can't pay.

If you are experiencing financial hardship, such as difficulty meeting the basic costs of living, we can prioritise your income tax and activity statement refunds or not use your refund to offset other government debts. In special circumstances, we can release individuals from paying some taxes if that payment would cause serious hardship.

We're committed to providing you with a tailored solution. To discuss your situation and how we can help, call **1800 806 218** and select option 1.

See also:

- Help with paying (/general/paying-the-ato/help-with-paying/)
- Financial hardship (/General/Financial-hardship/)
- Release from your tax debt (/general/financial-hardship/in-detail/release-from-your-tax-debt/)

Special assistance for primary producers

We recognise the significant impact the ongoing drought is having on rural communities. We offer a number of programs to help primary producers.

Investing for future sustainability

Primary producers can now offset the cost of certain capital assets more quickly than before. Immediate deductions are available for new fencing infrastructure and accelerated depreciation is available for new on-farm water storage facilities and fodder storage.

Find out about:

- Water facilities (/Business/Primary-producers/In-detail/Capital-expenditure/Water-facilities/)
- Fencing and fodder storage assets (/Business/Primary-producers/In-detail/Capital-expenditure/Fencing-and-fodder-storage-assets/)
- Depreciating assets (/Business/Primary-producers/Livestock-and-other-assets/Depreciating-assets/) – special rules for primary producers
- Capital expenditure (/Business/Primary-producers/In-detail/Capital-expenditure/) – special rules for primary producers

Farm management deposits

If you are a primary producing individual making less than $100,000 from any other income sources, you may be eligible for the farm management deposits scheme. With the scheme, you can deposit money during good years to reduce your taxable income, then withdraw

when times are tough. From 1 July 2016, the limit on farm management deposits has increased from $400,000 to $800,000. You can also now access your funds earlier in times of drought or natural disaster, without losing tax concessions.

See also:

- Primary producers (/Business/Primary-producers/)
- Farm management deposits scheme (/business/primary-producers/managing-varying-income/farm-management-deposits-scheme/)
- Abnormal primary production income (/Business/Primary-producers/Managing-varying-income/Abnormal-primary-production-income/) – includes profit from forced disposal or death of livestock, insurance payments and double wool clips

Additional support

See below for more drought assistance schemes and other support programs available for farmers and families experiencing hardship as a result of drought.

Small business tax concessions

Small business tax concessions (/Business/Small-business-entity-concessions/) introduced in May 2015 include a reduced company tax rate, capital gains tax concessions, PAYG instalment concessions and simpler deduction rules.

Drought and rural assistance

The Department of Agriculture and Water Resources (http://www.agriculture.gov.au/) delivers assistance measures (http://www.agriculture.gov.au/ag-farm-food/drought/assistance) for farm families, businesses and rural communities. This includes extra help announced as part of the Agricultural Competitiveness White Paper (http://agwhitepaper.agriculture.gov.au/) .

Rural Financial Counselling Service

The Rural Financial Counselling Service (RFCS) program (http://www.agriculture.gov.au/ag-farm-food/drought/assistance/rural-financial-counselling-service) is a free service for farmers, fishing enterprises, forestry growers and harvesters and small related businesses experiencing financial hardship. Visit the website to find your nearest financial counsellor or phone **1800 686 175**.

Farm Household Allowance

The Department of Human Services offers financial support to farmers and their families experiencing financial hardship through the Farm Household Allowance. For eligibility and to apply visit the Department of Human Services website (https://www.humanservices.gov.au/customer/enablers/claiming-farm-household-allowance) or phone the DHS Farmer Assistance Hotline **13 23 16**.

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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