

Media Release

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Family Tax Benefit payments will cease for taxpayers with non-lodger debts

New legislation will see fortnightly Family Tax Benefit payments cease to taxpayers who have not submitted prior year tax returns or advised the Family Assistance Office (FAO) by January 2010 if they are not required to lodge one.

According to the *Department of Families, Housing, Community Service and Indigenous Affairs*^[1] (FaHCSIA), this will affect 40,000 Australians a year if they do not lodge their tax returns by the deadline.

Director of Etax Accountants Pty Ltd, Scott Griffin, says it will be the struggling mums and dads who are not aware of how the new legislation works who will miss out.

"These households depend on regular FTB payments to survive and it is in their best interest to lodge a tax return or get the right advice from a professional about whether they need to lodge one," he said.

"FTB recipients who do not lodge a tax return or advise the FAO if they are not required to lodge one, will find themselves with a non-lodger debt which will stop their FTB payments," he said.

A non-lodger debt is a result of failure to lodge a tax return or failure to advise the Family Assistance Office that a return is not required to be lodged.

The January 2010 deadline is for lodging outstanding prior year income tax returns and does not apply to 2008-09 tax returns which will have either a March 31 or May 15 deadline depending on whether it is lodged through a tax agent.

"Quite simply, if you have a tax return other than the 2008-2009 year, then lodge these before January 2010 to avoid your fortnightly FTB payments ceasing," said Mr Griffin.

According to the FaHCSIA 2.2 million families receive FTB payments in a financial year.

"Given such figures, it is even more crucial that families on FTB payments lodge their prior year tax returns as soon as possible or advice the FAO if they are not required to lodge one," said Mr Griffin.

"Talk to a tax professional and get the right advice for your circumstances and then think about the decision you want to make for yourself and your family before January 2010," he said.

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Etax Accountants Pty Ltd is Australia's largest online accounting firm preparing thousands of tax returns every year. Etax Accountants has been offering online tax services since 1998 and provides a low cost way to do a tax return while still getting professional advice. Etax Accountants is based in Brisbane with clients from all over Australia and overseas. Director Scott Griffin is an MBA graduate from the Harvard Business School and also holds a Bachelor of Law. Scott launched www.etax.com.au with father, Don and brother, Kent over ten years ago.

^[1] <http://www.facs.gov.au/about/publicationsarticles/corp/BudgetPAES/budget2008-09/FactSheets/Pages/ResponsibleEconomicMgmtFS26.aspx>