uctions for ATO interest

ıer claim an income tax deduction for ncurred on or after 1 July 2025.

) interest charges are incurred

ncurred on or after 1 July 2025

ncurred before 1 July 2025

ıted accounting period

hange

part of the 2023–24 Mid-Year Economic and ıe government announced it would amend the tax ductions for ATO interest charges.

relation to assessments for income years starting assessment for an income year is how your s explained in your notice of assessment.

o longer d

tax returı

Strengthen penalty and shortfall interest charge provisions

Strengthening the foreign resident capital gains tax regime

Tax integrity - expanding the general anti-avoidance rule in the income tax law

Tax Reform – better targeting the Research and Development Tax Incentive

Tax reform – expanding venture capital incentives

Tax reform – introducing a minimum tax on discretionary trusts

Tax reform – loss refundability for small start-up companies

Tax reform – tax loss carry back

w change applies in a different way for [Entities ting period.]

en ATO interest charges are

n for ATO interest depends on when GIC or SIC is become liable for the interest charge. Examples limited to):

income tax liabilities is **incurred** on a daily basis.

id income tax shortfall is **incurred** in the year you mended assessment.

arges incurred on or after 1

or after 1 July 2025 is not deductible regardless s to an earlier income year.

SIC that is later remitted doesn't need to be ome.

arges incurred before 1 July

urred prior to 1 July 2025 remains deductible for come years.

r income years, our guidance on calculating your tions, including how to verify pre-fill information, on, see [Calculate and report ATO interest].

GIC or SIC for the 2024–25 or an earlier income , the amount that is remitted will need to be e income in the year in which the remission

ubstituted accounting period

od is ordinarily the 12-month period ending on

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e Commissioner to adopt an alternative annual
as a substituted accounting period or SAP).

accounting period will no longer be able to claim
t accounting period starting after 1 July 2025.

n

ATO interest – fact sheet

e

ed accounting period

nent (Tax Incentives and Integrity) Act 2025

nomic and Fiscal Outlook

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We acknowledge the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to them, their cultures, and Elders past and present.

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