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CLIENT NEWSLETTER

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Tax Obligations Following Recent Storm Activity.

The Tax Office has advised that residents affected by recent severe storm activity in Brisbane, the Gold Coast, Central Queensland and surrounding areas need not worry about their tax at this time.

Anyone having problems meeting their tax obligations because of the storms should call the ATO on 13 11 42 to make arrangements that meet their particular circumstances.

The Tax Office can help people by:

- fast tracking refunds
- giving people extra time to pay debts – without interest charges
- giving more time to meet BAS and other lodgement obligations – without penalties, and
- helping reconstruct tax records where documents have been destroyed.

They have also provided guidelines on the tax treatment of various types of financial assistance payments provided to people affected by the recent storms.

Unless the following payments were received as part of business income, they are NOT assessable:

- Australian Government Disaster Recovery Payments — provided by the Australian Government to those whose principal place of residence had been destroyed or significantly damaged, as well as those who had been seriously injured and hospitalised for more than 48 hours. Those eligible received a payment of \$1,000 for adults and \$400 for each child
- Emergency Assistance Grants — provided by the Queensland Government for essentials such as food, clothing and accommodation
- Essential Household Contents Grants — provided by the Queensland Government to be used to replace or repair uninsured essential household contents
- Structural Assistance Grants — provided by the Queensland Government to contribute to the cost of repairing an uninsured, owner-occupied residence (including caravans) to a safe and habitable condition.

Grants to sporting and community not-for-profit organisations made under the State-Commonwealth Natural Disaster Relief and Recovery Arrangements are not assessable if the organisation is an endorsed tax-exempt entity. However, if the organisation is not tax exempt and is carrying on a business, generally the grants are assessable income.

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