



WINTER 2012

THE TAXATION DEPARTMENT – IS IT A SOURCE OF FINANCE?

One of the fallouts from the GFC has been the decline in readily available debt funding for business. Banks have tightened lending criteria and security positions have declined with falling asset values. The inevitable result is that customers are forced to seek alternative funding sources.

In recent years one surprising alternative funding source has been the ATO. Payment plans have become more available to businesses that have not had sufficient funds to pay their tax in a lump sum by the due date. These arrangements have been a lifeline to many businesses. Ironically this practical approach by the ATO seems to have hindered the ability of businesses to raise funding from the banks. Banks now all seem to have a policy of refusing credit to businesses carrying a tax debt. This attitude seems to be based on the historical context of unpaid tax debt being indicative of business failure.

However we have noticed recently that the Taxation Department has now hardened its views on arrangements in place. Sometimes even if the agreed repayment schedule is only slightly behind, they have issued default notices. New arrangements for payment plans are being now rigorously scrutinised and much harder to obtain.

Commercial Equity Group does not agree that an unpaid tax debt is a sign of business failure and is happy to consider financing the tax debts if future servicing and a way forward for the business can be demonstrated.

Have you read our previous newsletters ?
Please go to www.commercialequity.com.au

Working with You

“The majors hide behind policy! “

Our customers are saying the same. The banks only want equipment that is relatively new and in great condition.

The reality is there is a growing market out there for good 2nd hand equipment. Traditional lenders say no, at Commercial Equity, we say YES.

The following are recent loan examples

State	Amt sought \$	Item being Acquired	Business structure
TAS	200,000	Mix of equipment including drill rigs	Company
QLD	72,000	2004 Volvo and 1996 Iveco Trucks	Company
NSW	52,300	2 Prime Movers	Individual
NSW	405,200	2 Prime Movers, 2 Trailers	Company

About CEG

Commercial Equity Group is a finance company, 35 years young, based in Launceston, Tasmania, with a desire for assisting small business throughout Australia and giving options that the major players have historically steered away from.



Remember at Commercial Equity –
“We listen, we lend, no fuss.”