

Director Penalty Notices

Director Personal Liability for PAYG Withholding Amounts

We have received a number of enquiries recently in regard to a directors potential liability when his or her company does not pay Withholding Amounts.

Company directors do become personally liable for the unremitted PAYG Withholding Amount when the company fails to remit the required PAYG payment by the due date.

The personal liability only becomes payable by the directors when the Commissioner of Taxation issues a "Penalty Notice" to the director(s) requiring payment of the PAYG amounts unpaid by the company.

Upon receiving the Penalty Notice, company directors can avoid personal liability if they act quickly and take the right steps.

There are a number of traps that need to be avoided when dealing with a Penalty Notice.

See our Fact Sheet which summarises actions to be taken by a company director when he or she receives a "Penalty Notice".

Should you have any questions on the issue do not hesitate to email Alan Nicholls at alan@nichollsco.com.au