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“Where’s my tax refund?” Explaining timeframes, key terms, and possible reasons for delays

For some our clients, waiting for your expected tax refund can seem to drag out interminably, and some mistake receiving a receipt as a sign of an imminent ATO deposit into your bank.

So if you have a bad case of ants in your pants, the following could go some way to allay your tax refund anxiousness.

While the ATO may send you an email or SMS (text message) to let you know if the tax return or refund has been delayed and why, or when the refund is on its way, it will never ask you to reply by SMS or email to provide personal information, such as a tax file number (TFN).

In most cases, documents lodged with the ATO online (including tax returns, refunds of franking credits and non-lodgement advice) should generally be finalised within 10 business days. (Note that if paper forms are used, it can take up to 50 business days.)

Generally, taxpayers can use the ATO’s online services via myGov to track the progress of your return as it moves through the following stages:

1. In Progress

The ATO has received your return, and has started processing it. It usually takes around seven to 10 days for a return to be finalised from this point.

2. In progress – information pending

The ATO is collecting information to help it complete processing of the return. This information may come from payers, financial institutions, private health insurers and so forth, and may take several days. The ATO may contact you or your tax agent, SBA tax Accountants, if it needs some extra information.

3. In Progress – under review

This status indicates that the ATO is looking at your tax account, including previous tax returns. There may be a delay to your income tax return while it completes its review. Again, it may seek additional information.



4. Cancelled

The ATO is reviewing your client's tax return. This may include ensuring they have included all the information that has been reported to it. There is no need to lodge the return again.

5. In progress – balancing account

Balancing accounts indicates that the ATO has the result of your return, and that it is calculating your refund (or bill) based on your account balance. The return may still take a few more days while it reviews your accounts with the ATO, but possibly also other Australian government agencies.

6. In progress – processing

The ATO has finalised your return and is generating their notice of assessment.

7. Issued - \$ amount

The ATO will have sent you the notice of assessment, and/or you are able to see their notice of assessment in myGov, along with the effective date for payment if they're entitled to a refund.

If you provided your Australian financial institution account details with tax return, the ATO will pay the refund by EFT. You



should check with your financial institution to confirm processing timeframes.

What's the difference between “processed” dates and “effective” dates?

In simple terms, the processed date is the date the ATO finishes processing a return and updates a taxpayer's account.

If you are entitled to a refund, the effective date is usually the date the ATO sends your refund to your bank account. You will need to check with your financial institution to find out how long it may take to process the refund.

If they have a tax bill, the effective date will be the date their payment is due.

Your return has taken longer than 10 business days. What can you do?

The ATO has a lot of returns to process, and it says it does its best to process tax returns within 10 business days, but there are reasons why it may take longer. For example, if:

- It needs to check information in a return. It may need to contact payers, financial institutions, private health insurers or the taxpayer themselves to confirm or cross-check information in your return. You generally do not need to take any action – if the ATO needs any additional information, it will let you know.
- You has lodged tax returns for several years all at once. The ATO needs to process all of your returns so it can make sure

your account is up to date before it issues any refunds or requests for payment.

- You has entered into a debt or bankruptcy arrangement. If you have declared insolvency or entered into a Part IX agreement, the ATO needs to undertake additional checks before it can finalise a tax return.
- The ATO needs to check with other Australian government agencies (such as Centrelink or the Child Support Agency). By law, the ATO is required to pay part or all of your tax refund to other agencies if there are outstanding amounts. It is obliged to write to taxpayers to let you know if this is the case, and this practice could be reviewed.

Where possible, the ATO will let taxpayers know if it needs you to take any action, especially if it needs extra information in order to process a return.

Tax refund needed to pay outstanding bills?

Especially at this Tax Time, you may be anxious about getting some much needed funds. If you think your circumstances put you under serious financial hardship, you can consider requesting priority processing and the ATO may be able to help get your tax return be processed quicker.

SBA Tax Accountants are here to help



The image shows a business card for SBA Tax Accountants on the left and a list of services on the right. The business card includes the SBA logo, the name Julia Zhang, her title as Director, and her qualifications (CPA, TIL, MA, BA, JP, Tax Agent, ASIC Agent). It also provides contact information: mobile 0425 282 622, email julia@sbataxaccountants.com.au, and website www.sbataxaccountants.com.au. The address is Suite 4c, Level 1, 32 Florence Street, Hornsby NSW 2077. There is a QR code for scanning and a small logo for 'scan.me'. The service list on the right includes Tax Returns, Financial Accounting, Company Registration, ASIC Agent Services, Payroll & HR Services, SMSF Services, Bookkeeping, GST & BAS Returns, Cloud Accounting Software, Business Advice, Mortgage Finance, and Virtual CFO Services. It also features a 'Thank you for using our service!' message, a 'Tax Practitioners Board Registered' seal, a tax agent number (28026061), and a QR code for WeChat.

SBA TAX ACCOUNTANTS
Small Business Accounting & Taxation Specialist

CPA
SBA Tax Accountants
is a CPA practice

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Tax Practitioners Board Registered
Tax agent 28026061

WeChat

Tax Returns
Financial Accounting
Company Registration
ASIC Agent Services
Payroll & HR Services
SMSF Services

Bookkeeping
GST & BAS Returns
Cloud Accounting Software
Business Advice
Mortgage Finance
Virtual CFO Services