

**BUSINESS**

PAYERS

TAX TABLE

NAT 1024-05.2006

SEGMENT

AUDIENCE

FORMAT

PRODUCT ID



**Australian Government**

**Australian Taxation Office**

## **SCHEDULE 10** **PAY AS YOU GO (PAYG) WITHHOLDING**

# **Special daily rates tax table**

Incorporating Medicare levy, including statement of formulas.



**FOR PAYMENTS MADE ON  
OR AFTER 1 JULY 2006.**



This document is a withholding schedule made by the Commissioner of Taxation in accordance with sections 15–25 and 15–30 of Schedule 1 to the *Taxation Administration Act 1953*. It applies to withholding payments covered by Subdivisions 12–B (except sections 12–50 and 12–55) and 12–D of Schedule 1.



For more information visit **[www.ato.gov.au](http://www.ato.gov.au)**

## WHO SHOULD USE THIS TABLE?

Use this table if you make payments to a payee on a daily basis.

You also use this table where a payee is engaged on a daily or casual basis, but not paid daily.

For example, Peter works on a casual basis as a bartender for two separate entities during the week and is paid on an hourly basis. Both employers should use the daily rates tax table to calculate withholding from payments made for the hours worked.

For all other cases, use the relevant PAYG withholding weekly, fortnightly or monthly tax table.

## TAX FILE NUMBER (TFN) DECLARATIONS

The amount to be withheld from payments you make to your payees is primarily determined by the answers given by the payee on a *Tax file number declaration* (NAT 3092). A *Tax file number declaration* applies to payments made after the declaration is provided to you. A later declaration provided by a payee overrides an earlier declaration.

If a payee does not give you a valid *Tax file number declaration* within **14 days** of commencing a payer/payee relationship, you must fill in a *Tax file number declaration* with all available details of the payee and send it to the Tax Office.

If you have *Employment declarations* that were valid at 30 June 2000 they will continue to be valid under PAYG.

## NO TFN PROVIDED

If you make a payment to a payee and the payee **has not**:

- quoted their TFN
- claimed an exemption from quoting, or
- advised that they have applied for a TFN or have made an enquiry with the Tax Office

on their *Tax file number declaration*, you must withhold 46.5% of the payment, ignoring any cents.

If a payee states at question 1 of the *Tax file number declaration* that they have lodged a *Tax file number application* or enquiry with the Tax Office, the payee has **28 days** to give you their TFN.

If a payee has not given you their TFN at the end of this time, you must withhold 46.5% from the total amount of all payments made to the payee, ignoring any cents, unless the Tax Office tells you not to.

❗ Do not allow for any family tax benefit (FTB), tax offsets or Medicare levy adjustment. Do not add amounts for HELP or SFSS.

## WITHHOLDING DECLARATIONS

A payee may use a *Withholding declaration* to advise their entitlement to the family tax benefit (FTB) or a tax offset, which they choose to claim through reduced withholding.

Withholding declarations can also be used by payees to advise you of changes to their situation since providing a valid *Tax file number declaration*, which may affect the amount to be withheld from their payments.

Changes which may affect the amount to be withheld include:

- becoming or ceasing to be an Australian resident for tax purposes
- claiming or discontinuing a claim for the tax-free threshold
- advising a HELP or SFSS debt, or changes to them
- entitlement to a senior Australians tax offset, and
- upward variation to increase the rate or amount to be withheld.

A *Withholding declaration* takes effect from the first payment you make after the payee has provided the declaration. A later declaration provided by a payee overrides an earlier declaration.

❗ A valid *Tax file number declaration* (or *Employment declaration*) must be in place before providing a *Withholding declaration*.

## FOREIGN RESIDENTS

Foreign resident tax rates apply where a payee has answered 'No' to the question 'Are you an Australian resident for tax purposes?' on their *Tax file number declaration*.

For foreign resident payees (for example, overseas visitors on working holidays) an amount should be withheld at a rate of 29% where a TFN is provided, and at a rate of 45% for those who have not provided a TFN.

Foreign resident payees cannot claim FTB or any tax offset. If a foreign resident payee has claimed FTB or any tax offsets on the *Tax file number declaration*, do not make any adjustment to the amount to be withheld.

## FAMILY TAX BENEFIT (FTB) AND TAX OFFSETS

Payees who choose to claim their entitlement to FTB or a tax offset through reduced withholding must provide you with a *Withholding declaration*. Tax offsets include:

- dependent spouse
- zone
- parent, spouse's parent or invalid relative
- housekeeper, and
- child-housekeeper.

If a payee claims FTB or a tax offset, reduce the amount to be withheld from their earnings by the daily value of the FTB or tax offset. The daily value is 0.38% of the amount claimed, rounded to the nearest dollar.

❗ Do not allow for any FTB or tax offsets for foreign residents or when no TFN has been provided.

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## OUR COMMITMENT TO YOU

We are committed to providing you with advice and information you can rely on.

If you feel this publication does not fully cover your circumstances, please seek help from the Tax Office or a professional adviser.

**The information in this publication is current at May 2006.** We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at [www.ato.gov.au](http://www.ato.gov.au) or contact us.

## HOW TO WORK OUT WITHHOLDING AMOUNTS

- 1 Disregarding any cents, find the payee's earnings in **column 1** of the table and read off the corresponding amount to be withheld from **column 2**.
- 2 If the payee has claimed FTB and/or any tax offsets, determine the daily value of the FTB or tax offsets – see 'Family tax benefit and tax offsets'. Subtract the daily value of the FTB or tax offsets from the amount to be withheld found in step 1.

### EXAMPLE

A payee earns \$193.62 and claims FTB and tax offsets of \$500. Disregarding cents, find \$193 in column 1 of the table and read off the corresponding amount to be withheld from column 2 of \$43.00. Reduce this amount by the daily value of the FTB or tax offsets of \$2.00 (\$500 x 0.0038 rounded to the nearest dollar).

Therefore, the final withholding amount is \$41.00 (\$43.00 – \$2.00).

## USING FORMULAS

Amounts to be withheld from payments made on a daily or casual basis can be calculated using the formulas and coefficients contained below.

The formulas comprise linear equations of the form  $y = ax - b$ , where:

- **y** is the weekly withholding amount expressed in dollars
- **x** is the weekly earnings expressed in whole dollars plus 99 cents, and
- the values of the coefficients **a** and **b** for the formulas are shown in Table A.

**TABLE A**

Weekly earnings (x) less than	a	b
\$111	—	—
\$313	0.1500	16.7308
\$368	0.2500	48.0462
\$480	0.1650	16.7318
\$1,442	0.3150	88.8472
\$2,884	0.4150	233.0780
\$2,884 & over	0.4650	377.3088

To work out withholding amounts using the formulas:

- 1 Multiply earnings (ignoring any cents) by 5 to derive the weekly equivalent. Add 99 cents to the result.
- 2 Calculate the weekly amount by applying the coefficients at Table A, rounding to the nearest dollar. Divide this amount by 5 to convert it to the daily equivalent. Round the daily withholding amount to the nearest dollar.

## ACCOUNTING SOFTWARE

Software written in accordance with the formulas should be tested for accuracy against the withholding amounts provided on the following page. You should only use such software if it produces the exact amounts shown in the table.

## PAYG WITHHOLDING PUBLICATIONS

All PAYG withholding tax tables and other PAYG publications can be accessed quickly and easily from [www.ato.gov.au](http://www.ato.gov.au)

Copies of weekly and fortnightly tax tables are available from most newsagents. Newsagents also hold copies of the *Tax file number declaration* (NAT 3092) and the *Withholding declaration* (NAT 3093).

**SPECIAL DAILY RATES TAX TABLE**

Earnings	Amount to be withheld	Earnings	Amount to be withheld	Earnings	Amount to be withheld	Earnings	Amount to be withheld	Earnings	Amount to be withheld	Earnings	Amount to be withheld	Earnings	Amount to be withheld
1	2	1	2	1	2	1	2	1	2	1	2	1	2
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
		101	14.00	181	39.00	261	65.00	341	95.00	421	128.00	501	161.00
		102	14.00	182	40.00	262	65.00	342	95.00	422	129.00	502	162.00
23	—	103	15.00	183	40.00	263	65.00	343	96.00	423	129.00	503	162.00
24	—	104	15.00	184	40.00	264	65.00	344	96.00	424	129.00	504	163.00
25	—	105	15.00	185	41.00	265	66.00	345	97.00	425	130.00	505	163.00
26	1.00	106	16.00	186	41.00	266	66.00	346	97.00	426	130.00	506	163.00
27	1.00	107	16.00	187	41.00	267	66.00	347	97.00	427	131.00	507	164.00
28	1.00	108	16.00	188	42.00	268	67.00	348	98.00	428	131.00	508	164.00
29	1.00	109	17.00	189	42.00	269	67.00	349	98.00	429	132.00	509	165.00
30	1.00	110	17.00	190	42.00	270	67.00	350	99.00	430	132.00	510	165.00
31	1.00	111	17.00	191	42.00	271	68.00	351	99.00	431	132.00	511	166.00
32	1.00	112	18.00	192	43.00	272	68.00	352	100.00	432	133.00	512	166.00
33	2.00	113	18.00	193	43.00	273	68.00	353	100.00	433	133.00	513	166.00
34	2.00	114	18.00	194	43.00	274	69.00	354	100.00	434	134.00	514	167.00
35	2.00	115	19.00	195	44.00	275	69.00	355	101.00	435	134.00	515	167.00
36	2.00	116	19.00	196	44.00	276	69.00	356	101.00	436	134.00	516	168.00
37	2.00	117	19.00	197	44.00	277	70.00	357	102.00	437	135.00	517	168.00
38	2.00	118	19.00	198	45.00	278	70.00	358	102.00	438	135.00	518	168.00
39	3.00	119	20.00	199	45.00	279	70.00	359	102.00	439	136.00	519	169.00
40	3.00	120	20.00	200	45.00	280	70.00	360	103.00	440	136.00	520	169.00
41	3.00	121	20.00	201	46.00	281	71.00	361	103.00	441	136.00	521	170.00
42	3.00	122	21.00	202	46.00	282	71.00	362	104.00	442	137.00	522	170.00
43	3.00	123	21.00	203	46.00	283	71.00	363	104.00	443	137.00	523	171.00
44	3.00	124	21.00	204	47.00	284	72.00	364	105.00	444	138.00	524	171.00
45	3.00	125	22.00	205	47.00	285	72.00	365	105.00	445	138.00	525	171.00
46	4.00	126	22.00	206	47.00	286	72.00	366	105.00	446	139.00	526	172.00
47	4.00	127	22.00	207	47.00	287	73.00	367	106.00	447	139.00	527	172.00
48	4.00	128	23.00	208	48.00	288	73.00	368	106.00	448	139.00	528	173.00
49	4.00	129	23.00	209	48.00	289	73.00	369	107.00	449	140.00	529	173.00
50	4.00	130	23.00	210	48.00	290	74.00	370	107.00	450	140.00	530	173.00
51	4.00	131	24.00	211	49.00	291	74.00	371	107.00	451	141.00	531	174.00
52	4.00	132	24.00	212	49.00	292	75.00	372	108.00	452	141.00	532	174.00
53	5.00	133	24.00	213	49.00	293	75.00	373	108.00	453	141.00	533	175.00
54	5.00	134	25.00	214	50.00	294	75.00	374	109.00	454	142.00	534	175.00
55	5.00	135	25.00	215	50.00	295	76.00	375	109.00	455	142.00	535	175.00
56	5.00	136	25.00	216	50.00	296	76.00	376	110.00	456	143.00	536	176.00
57	5.00	137	25.00	217	51.00	297	77.00	377	110.00	457	143.00	537	176.00
58	5.00	138	26.00	218	51.00	298	77.00	378	110.00	458	144.00	538	177.00
59	6.00	139	26.00	219	51.00	299	78.00	379	111.00	459	144.00	539	177.00
60	6.00	140	26.00	220	52.00	300	78.00	380	111.00	460	144.00	540	178.00
61	6.00	141	27.00	221	52.00	301	78.00	381	112.00	461	145.00	541	178.00
62	6.00	142	27.00	222	52.00	302	79.00	382	112.00	462	145.00	542	178.00
63	6.00	143	27.00	223	53.00	303	79.00	383	112.00	463	146.00	543	179.00
64	6.00	144	28.00	224	53.00	304	80.00	384	113.00	464	146.00	544	179.00
65	7.00	145	28.00	225	53.00	305	80.00	385	113.00	465	146.00	545	180.00
66	7.00	146	28.00	226	53.00	306	80.00	386	114.00	466	147.00	546	180.00
67	7.00	147	29.00	227	54.00	307	81.00	387	114.00	467	147.00	547	180.00
68	7.00	148	29.00	228	54.00	308	81.00	388	114.00	468	148.00	548	181.00
69	8.00	149	29.00	229	54.00	309	82.00	389	115.00	469	148.00	549	181.00
70	8.00	150	30.00	230	55.00	310	82.00	390	115.00	470	149.00	550	182.00
71	8.00	151	30.00	231	55.00	311	83.00	391	116.00	471	149.00	551	182.00
72	8.00	152	30.00	232	55.00	312	83.00	392	116.00	472	149.00	552	183.00
73	9.00	153	30.00	233	56.00	313	83.00	393	117.00	473	150.00	553	183.00
74	9.00	154	31.00	234	56.00	314	84.00	394	117.00	474	150.00	554	183.00
75	9.00	155	31.00	235	56.00	315	84.00	395	117.00	475	151.00	555	184.00
76	9.00	156	31.00	236	57.00	316	85.00	396	118.00	476	151.00	556	184.00
77	9.00	157	32.00	237	57.00	317	85.00	397	118.00	477	151.00	557	185.00
78	10.00	158	32.00	238	57.00	318	85.00	398	119.00	478	152.00	558	185.00
79	10.00	159	32.00	239	58.00	319	86.00	399	119.00	479	152.00	559	185.00
80	10.00	160	33.00	240	58.00	320	86.00	400	119.00	480	153.00	560	186.00
81	10.00	161	33.00	241	58.00	321	87.00	401	120.00	481	153.00	561	186.00
82	10.00	162	33.00	242	59.00	322	87.00	402	120.00	482	153.00	562	187.00
83	10.00	163	34.00	243	59.00	323	88.00	403	121.00	483	154.00	563	187.00
84	11.00	164	34.00	244	59.00	324	88.00	404	121.00	484	154.00	564	188.00
85	11.00	165	34.00	245	59.00	325	88.00	405	122.00	485	155.00	565	188.00
86	11.00	166	35.00	246	60.00	326	89.00	406	122.00	486	155.00	566	188.00
87	11.00	167	35.00	247	60.00	327	89.00	407	122.00	487	156.00	567	189.00
88	11.00	168	35.00	248	60.00	328	90.00	408	123.00	488	156.00	568	189.00
89	11.00	169	36.00	249	61.00	329	90.00	409	123.00	489	156.00	569	190.00
90	12.00	170	36.00	250	61.00	330	90.00	410	124.00	490	157.00	570	190.00
91	12.00	171	36.00	251	61.00	331	91.00	411	124.00	491	157.00	571	190.00
92	12.00	172	36.00	252	62.00	332	91.00	412	124.00	492	158.00	572	191.00
93	12.00	173	37.00	253	62.00	333	92.00	413	125.00	493	158.00	573	191.00
94	12.00	174	37.00	254	62.00	334	92.00	414	125.00	494	158.00	574	192.00
95	12.00	175	37.00	255	63.00	335	92.00	415	126.00	495	159.00	575	192.00
96	13.00	176	38.00	256	63.00	336	93.00	416	126.00	496	159.00	576	193.00
97	13.00	177	38.00	257	63.00	337	93.00	417	127.00	497	160.00	577	193.00
98	13.00	178	38.00	258	64.00	338	94.00	418	127.00	498	160.00	578	193.00
99	13.00	179	39.00	259	64.00	339	94.00	419	127.00	499	161.00	579	194.00
100	14.00	180	39.00	260	64.00	340	95.00	420	128.00	500	161.00	580	194.00

❗ Where the payee's earnings are more than \$580 the amount required to be withheld is \$194 plus 46.5 cents for each \$1 over \$580. For withholding amounts calculated, round the result to the nearest dollar.