



Pay as you go (PAYG) withholding Tax table for payments made under voluntary agreements

For payments made on
or after 1 JANUARY 2006

SCHEDULE 29

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 section 12–55 of Schedule 1.

Who should use this table?

You should use this tax table if you make payments to an individual under a voluntary agreement to withhold.

How to work out amounts to be withheld

The approved form for a voluntary agreement to withhold requires the payee to disclose their Commissioner's Instalment Rate (CIR) or, if they do not have one, to make a statement to that effect.

If the payee has informed you of their CIR

If the payee being paid under the voluntary agreement to withhold has informed you of their CIR, you should use the following:

- **If the payee's CIR is greater than or equal to 20%**
If the payee's CIR is greater than or equal to 20% you must withhold the amount worked out by multiplying the amount of the payment by the CIR.
- **If the payee's CIR is less than 20%**
If the payee's CIR is less than 20% you must withhold the amount worked out by multiplying the amount of the payment by 20% **unless** your voluntary agreement with the payee includes an agreement that their CIR will apply. In the latter case you must withhold an amount worked out by multiplying the amount of the payment by the CIR.

If the payee has informed you that they do not have a CIR

You must withhold 20% of the amount of the payment.

If the payment includes an amount for GST

If the payment includes an amount for GST, the amount to be withheld is calculated by multiplying the appropriate rate of withholding by the amount of the payment excluding the amount of the GST.

EXAMPLE

Huseyin is a marketing consultant who receives income from a number of sources. He has entered into a voluntary agreement to withhold with his largest payer and has stated in that agreement that his CIR is 16.44%.

The payer calculates the amount to be withheld by multiplying the amount of each payment (excluding any GST component) by 20% **unless** Huseyin has an agreement with the payer that his CIR of 16.44% will apply.

Rounding of withholding amounts

Withholding amounts calculated by applying this table should be rounded to the nearest dollar. Values of 50 cents or higher are rounded upwards.

PAYG withholding publications

All PAYG withholding tax tables and other PAYG publications can be accessed quickly and easily from our website 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).