PAYG instalments for business and investment income

If you earn business or investment income, use PAYG instalments to make regular prepayments of tax.

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Pay as you go (PAYG) instalments are regular prepayments of tax on your business and investment income. By paying regular instalments throughout the year, you shouldn't have a large tax bill when you lodge your tax return.

PAYG instalments are reassessed after you lodge your tax return. If you have higher or lower business and investment income in your latest tax return, your instalment amount or rate may change.

If you think you'll earn business and investment income over the **threshold**, it's a good idea to **voluntarily enter PAYG instalments**.

If you pay PAYG instalments using the **amount method**, your instalments have increased by the gross domestic product (GDP) adjustment factor. For the 2025–26 income year, the GDP adjustment factor is 4%.

We encourage you to review your tax position regularly and **vary your PAYG instalments** if needed, to reflect your expected tax for the year and to avoid penalties.

For examples on how to manage PAYG instalments for investment income, see our fact sheet on PAYG instalments.

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Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.