

TD 93/D81 - Income tax: when do the final royalty withholding tax provisions first apply?



This cover sheet is provided for information only. It does not form part of *TD 93/D81 - Income tax: when do the final royalty withholding tax provisions first apply?*

This document has been finalised by TD 93/98.

Draft Taxation Determinations (TDs) represent the preliminary, though considered, views of the ATO. Draft TDs may not be relied on; only final TDs are authoritative statements of the ATO.

Draft Taxation Determination

Income tax: when do the final royalty withholding tax provisions first apply?

1. The final royalty withholding tax provisions apply to royalties paid or credited to a non-resident from the commencement of the recipient's 1993-94 year of income.
2. For most royalty recipients the year of income will commence on 1 July 1993 in accordance with the definition of "year of income" in section 6 of the *Income Tax Assessment Act 1936*. However, where the Commissioner has approved a Substituted Accounting Period (SAP), for the recipient in accordance with section 18, the royalty withholding tax provisions shall first apply from the beginning of that SAP in lieu of the normal financial year which ends on 30 June.

Example 1:

A non-resident taxpayer who receives royalties has a SAP from 1 January to 31 December, approved in accordance with section 18. The royalty withholding tax provisions shall apply to royalties paid or credited to the non-resident from 1 January 1993 onwards.

Example 2:

A non-resident taxpayer who receives royalties has a SAP from 1 October to 30 September, approved in accordance with section 18. The royalty withholding tax provisions shall apply to royalties paid or credited to the non-resident from 1 October 1993 onwards.

Commissioner of Taxation

1/4/93

FOI INDEX DETAIL: Reference No.

Related Determinations:

Related Rulings:

Subject Ref: royalty withholding tax

Legislative Ref:

Case Ref:

ATO Ref: 91/9830-0

ISSN 1038 - 8982