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## Draft Taxation Determination

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### **Income tax: can a person acting as a group employer under subsection 221F(3) of the *Income Tax Assessment Act 1936* make tax instalment deductions on behalf of an employer?**

1. Yes. The Commissioner may register a person, as defined under section 6, as the representative of two or more employers.
2. Once registered, that person is then required to fulfill the obligations of a group employer under subsection 221F(5).
3. Where a group employer makes tax instalment deductions on behalf of the employer, it does so under a common law agency arrangement.

*Example: ABC Advertising Co engages the services of a model from XYZ Modelling Agency. It is the responsibility of the advertising company (the employer) to make tax instalment deductions from payments to the models, whether or not the payment is made directly to the model or the agency. XYZ Modelling Agency may register as a group employer under subsection 221F(3) to fulfill the obligations of a group employer and make tax instalment deductions on behalf of ABC Advertising Co.*

**Commissioner of Taxation**

29/7/93

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FOI INDEX DETAIL: Reference No.

Related Determinations:

Related Rulings: IT 2576

Subject Ref: salary or wages; group employer's obligation; tax instalment deductions

Legislative Ref: 221F(3); 221F(5); 221C(1A)

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