


IT 2649W - Notice of Withdrawal - Income tax: application of the tax file number arrangements to solicitors

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Notice of Withdrawal

Taxation Ruling

Income tax: application of the tax file number arrangements to solicitors

Taxation Ruling IT 2649 is withdrawn with effect from today.

1. Taxation Ruling IT 2649 explains when a solicitor will be an investment body for the purposes of the tax file number (TFN) withholding arrangements under subsection 221YHZC(1A) of the *Income Tax Assessment Act 1936* (ITAA 1936). It also explains when a solicitor can quote an investment body remitter number (IBRN) instead of a TFN to the Tax Office when the solicitor reinvests funds on behalf of another person in another investment body.
2. Subsection 221YHZC(1AAAA) of the ITAA 1936 effectively provides that the TFN withholding arrangements and rules about investment bodies in relation to subsection 221YHZC(1A) do not apply to a payment made by a solicitor after 30 June 2000. The pay as you go (PAYG) withholding system applies to such a payment.
3. Under the PAYG withholding system, a solicitor can quote their Australian business number in the same manner as they have previously quoted their IBRN (see section 12-155 of Schedule 1 to the *Taxation Administration Act 1953*).
4. Taxation Ruling IT 2649 does not apply to a payment made after 30 June 2000.

Commissioner of Taxation

18 October 2006

ATO references

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