



Taxation Administration (Withholding Variation for Payment of Certain Allowances) Legislative Instrument 2025

I, Ben Kelly, Deputy Commissioner of Taxation, make the following legislative instrument.

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Ben Kelly **DRAFT ONLY—NOT FOR SIGNATURE**
Deputy Commissioner of Taxation

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1 Name

This instrument is the *Taxation Administration (Withholding Variation for Payment of Certain Allowances) Legislative Instrument 2025*.

2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The day after this instrument is registered.	

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under section 15-15 in Schedule 1 to the Act.

4 Definitions

Note: A number of expressions used in this instrument have the same meaning as in Schedule 1 to the Act. Expressions in Schedule 1 to the Act have the same meaning as in the ITAA 1997 (see section 3AA of the Act). The following expressions are relevantly defined in section 995-1 of the ITAA 1997:

- (a) award transport payment;
- (b) business kilometres
- (c) car expense;
- (d) income tax law;
- (e) laundry expense;
- (f) meal allowance expense;
- (g) travel allowance expense;
- (h) work expense.

In this instrument:

Act means the *Taxation Administration Act 1953*.

ITAA 1997 means the *Income Tax Assessment Act 1997*.

specified allowance means an allowance that is specified at section 7.

5 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

6 Withholding amount varied to nil

- (1) The amount that a payer must withhold from a withholding payment to a payee under sections 12-35, 12-40 and 12-45 of Schedule 1 to the Act is varied to nil where:
- (a) the payment relates to a specified allowance;
 - (b) the payer reasonably expects that the payee will incur deductible work expenses related to the specified allowance that in total are at least equal to the amount of the specified allowance; and
 - (c) the amount and nature of the payment is shown separately in the accounting records of the payer.

7 Specified allowances

The following allowances are specified for the purposes of section 6:

- (a) an allowance for car expenses based on a set rate per kilometre travelled by a car, where:
 - (i) the allowance is calculated by multiplying the set rate per kilometre by the total number of business kilometres travelled by the car;
 - (ii) the set rate used in the calculation does not exceed the rate determined for the income year under subsection 28-25(4) of the ITAA 1997; and
 - (iii) the total number of business kilometres used in the calculation in respect of which the allowance is paid during the financial year does not exceed the number of business kilometres provided for in subsection 28-25(2) of the ITAA 1997;
- (b) an allowance for laundry expenses where the total amount paid during the financial year for such an allowance does not exceed the amount that can be deducted without substantiation under section 900-40 of the ITAA 1997;
- (c) an allowance for domestic travel allowance expenses which does not exceed the amount that the Commissioner considers reasonable for the income year for the purposes of section 900-50 of the ITAA 1997;
- (d) an allowance for overseas travel allowance expenses which does not exceed the amount that the Commissioner considers reasonable for the income year for the purposes of section 900-55 of the ITAA 1997;
- (e) an allowance for meal allowance expenses covered by section 900-60 of the ITAA 1997 which does not exceed the amount that Commissioner considers reasonable for the income year for the purposes of section 900-60 of the ITAA 1997; and
- (f) an award transport payment.

Schedule 1—Repeals

Taxation Administration Act 1953 - Pay as you go withholding -PAYG Withholding Variation: Allowances – Legislative Instrument

1 The whole of the instrument

Repeal the instrument

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