



Taxation Administration Amendment (Withholding Variation for Payment of Certain Allowances) Legislative Instrument 2026

I, Will Day, Deputy Commissioner of Taxation, make the following instrument.

Draft published 28 May 2026

Will Day
Deputy Commissioner of Taxation

Note for consultation: this draft instrument and associated draft explanatory statement are subject to the passage and commencement of the Treasury Laws Amendment (Tax Reform No. 1) Bill 2026.

If there are any changes to the Bill that affect the operation of this instrument, they will be appropriately reflected in the instrument and explanatory statement before they are finalised or registered.

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Draft

1 Name

This instrument is the *Taxation Administration Amendment (Withholding Variation for Payment of Certain Allowances) Legislative Instrument 2026*.

2 Commencement

This instrument commences at the same time as the *Treasury Laws Amendment (Tax Reform No. 1) Act 2026* commences.

3 Authority

This instrument is made under sections 15-15 in Schedule 1 to the *Taxation Administration Act 1953*.

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Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1—Amendments

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

1 Section 4 (note)

Repeal the note, substitute:

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) business kilometres;
- (b) car expense;
- (c) income tax law;
- (d) meal allowance expense;
- (e) travel allowance expense;
- (f) work expense.

2 Section 4

Insert:

laundry expense means a work expense to do with washing, drying or ironing clothes (but not dry cleaning).

3 At the end of paragraph 6(1)(a)

Add “and”.

4 At the end of subparagraph 7(a)(i)

Add “and”.

5 Paragraph 7(b)

Omit “the amount that can be deducted without substantiation under section 900-40 of the ITAA 1997”, substitute “\$150”.

6 Paragraph 7(e)

Omit “1997; and”, substitute “1997.”.

7 Paragraph 7(f)

Repeal the paragraph.