



## Taxation Administration Act 1953

### Pay as you go withholding

#### Occasional payroll donations to deductible gift recipients No. 3 – Legislative Instrument

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I, Erin Kathleen Holland, Deputy Commissioner of Taxation, vary the amount required to be withheld as described below from withholding payments that are:

- covered by subdivision 12-B (Payments for work and services) of Schedule 1 to the *Taxation Administration Act 1953*; and
- within the class of cases described below.

I make this variation of the amount required to be withheld under the power contained in section 15-15 of Schedule 1 to the *Taxation Administration Act 1953* to meet the special circumstances of that class of cases.

This legislative instrument revokes Legislative Instrument No. F2010L03246 registered on the 15<sup>th</sup> December 2010.

#### Commencement

This instrument commences on the day after registration on the Federal Register of Legislative Instruments.

#### Class of cases

Payments covered by subdivision 12-B of Schedule 1 to the *Taxation Administration Act 1953*, where:

- all or part of the payment is paid, or is to be paid, by a payer at the direction of the payee, as a donation to a **deductible gift recipient** (as defined in section 30-227 of the *Income Tax Assessment Act 1997*)
- the donation is made under an occasional giving arrangement, and
- the payee has not advised the payer that they do not want a variation to the amount withheld.

## Amount required to be withheld

In working out how much a payer is required to withhold under the withholding schedules, known as the pay as you go (PAYG) withholding tax tables, a payer should:

- A. Calculate the amount of withholding required from the payee's gross earnings for the relevant pay period (prior to deducting the donation) by using the applicable tax table; and
- B. Subtract from the withholding figure calculated at (A), the amount of the donation multiplied by the rate applicable to the payee's earnings for the period as prescribed in the last column of the table below.

Earnings for period			Applicable Rate
Weekly \$	Fortnightly \$	Monthly \$	
246- 575	492 – 1,151	1,066 – 2,495	0.150
576 - 710	1,152 – 1,421	2,496 – 3,080	0.165
711 – 960,	1,422 – 1,921	3,081 – 4,163	0.315
961 – 1,537	1,922 – 3,075	4,164 – 6,664	0.320
1,538 -1,922	3,076 – 3,845	6,665 – 8,332	0.390
1,923 – 3,460	3,846 – 6,921	8,333 – 14,997	0.395
3,461 and above	6,922 and above	14,998 and above	0.475
The applicable rate is based on the payee providing to this payer a <i>Tax file number declaration</i> and being an Australian resident who has claimed the tax-free threshold.			

If the resulting withholding amount is zero or negative, there is no amount to withhold.

Signed on 9 December 2011

Erin Holland  
Deputy Commissioner of Taxation