



Taxation Administration Act 1953

Pay as you go withholding

Occasional payroll donations to deductible gift recipients No. 4 – Legislative Instrument

I, Steve Vesperman, 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. F2011L02733 registered on the 19th December 2011.

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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 0.34.

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

Signed on 8 November 2013

Steve Vesperman
Deputy Commissioner of Taxation