

Variation 1

Variation - Allowances

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Pay As You Go (PAYG) Withholding

Variation of rate of withholding

I, Michael Joseph Carmody, Commissioner of Taxation, vary to nil the amount required to be withheld from withholding payments that are:

- covered by sections 12-35, 12-40 and 12-45, Schedule 1 of the *Taxation Administration Act 1953*; and
- within the class of cases described below.

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

Effective for payments made after 1 July 2000

This variation applies to payments made after 1 July 2000.

Class of cases

There is no requirement to withhold an amount, for the 2000/01 and future income years, from allowances as described below, provided:

- the payee is expected to incur expenses that may be able to be claimed as a tax deduction at least equal to the amount of the allowance, and
- the amount and nature of the allowance is shown separately in the accounting records of the payer.

Allowances:

1. Cents per kilometre car expense payments calculated using the approved rates for payments made up to 5000 business kilometres by applying the rate to the number of kilometres travelled. The rate varies depending on the engine capacity of the vehicle and is prescribed by regulation.
2. Award transport payments for deductible transport expenses. An award transport payment is a transport payment paid under an industrial instrument (i.e. an award, order, determination or industrial agreement) that was in force under Australian law on 29 October 1986.

3. Laundry (not dry cleaning) allowance for deductible clothing up to the threshold amount. The income tax law specifies an amount of \$150 as the threshold amount, but this can be increased from time to time by regulation.
4. Award overtime meal allowances up to reasonable allowances amount published in the annual Tax Office Ruling. The allowance must be paid under an industrial instrument in connection with overtime worked.
5. Domestic or overseas travel allowance (excluding overseas accommodation allowance) involving an overnight absence from the payee's ordinary place of residence up to reasonable allowances amount published in the annual Tax Office Ruling.

Signed at Canberra, this 28th day of June 2000.

Michael Carmody
Commissioner of Taxation