

Variation 15

Variation - Personal Services Income

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Pay As You Go (PAYG) Withholding

Variation of amount required to be withheld

I, Stuart Forsyth, Assistant Commissioner of Taxation, vary to nil the amount required to be withheld from withholding payments that are:

- covered by section 13-5 in 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.

Effective for payments made on or after 1 November 2001 to 30 June 2002

This variation applies to payments made on or after 1 November 2001 to 30 June 2002.

Class of cases

Any alienated personal services payment received by a personal services entity that relates to an individual's personal services income where salary or wages are paid to the individual or individuals within 14 days after the end of the relevant Pay As You Go payment period equalling:

1. 70% of the gross personal services income (exclusive of GST) received by the personal services entity during the current Pay As You Go payment period; or
2. A *net personal services income percentage* applied to the gross personal services income (exclusive of GST) received by the personal services entity during the current Pay As You Go payment period. The net personal services income percentage is calculated by dividing the personal services entity's gross personal services income (exclusive of GST) less allowable deductions (excluding salary or wages paid in accordance with subsection 86-15(4) of the *Income Tax Assessment Act 1997*) for the previous income year by the personal services entity's gross personal services income (exclusive of GST) for the previous income year.

Signed at Brisbane, this 15th day of October 2001.

Stuart Forsyth
Assistant Commissioner of Taxation
Small Business