



Australian Government
Australian Taxation Office

Taxation Administration Act 1953

Pay as you go withholding

Individuals engaged in foreign service – Legislative Instrument

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.

Class of cases

This variation applies to payments covered by subdivision 12-B of Schedule 1 to the *Taxation Administration Act 1953* that are made to individuals engaged in foreign service whose foreign earnings from that service are not exempt under Subsection 23AG of the *Income Tax Assessment Act 1936*.

Amount required to be withheld

The Australian tax amount to be withheld is the amount:

- which would normally be withheld in Australia from the Australian dollar equivalent of those earnings, under the relevant Pay as you go withholding tax table as if the earnings were not foreign earnings. The amount is based on the information the payee supplied on a *Tax file number declaration* and, if applicable, a *Withholding declaration*.

less

- the Australian dollar equivalent of the amount of tax to be withheld and paid to the foreign country in relation to the individual's foreign income tax liability for the provision of the service for the relevant period in that country.

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

Commencement

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

Signed on 10 July 2009

A handwritten signature in black ink, appearing to read 'Erin Holland', written in a cursive style.

Erin Holland
Deputy Commissioner of Taxation