



Australian Government
Australian Taxation Office

Taxation Administration Act 1953

Pay As You Go (PAYG) Withholding

Variation of withholding for personal services income

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

- covered by section 13-5 of Schedule 1 to the *Taxation Administration Act 1953*
- 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.

Commencement

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

Class of cases

Any alienated personal services payment that is:

- received by a personal services entity, relates to one or more individuals' personal services income
- salary or wages paid to the individual, or individuals, within 14 days after the end of the relevant PAYG payment period, and
- the payment is equal to, or greater than either:
 1. 70% of the gross personal services income (exclusive of GST) received by the personal services entity during the current PAYG 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 PAYG 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 and multiplying this amount by 100.

Signed on 15 March 2013

Erin Holland
Deputy Commissioner of Taxation