



TD 2000/53 - Income tax : Can a taxpayer that uses 13 four weekly accounting periods or 12 accounting periods , some of four weeks and others of five weeks , calculate their PAYG instalment amount for an instalment quarter having regard to their normal accounting periods ?

 This cover sheet is provided for information only. It does not form part of *TD 2000/53 - Income tax : Can a taxpayer that uses 13 four weekly accounting periods or 12 accounting periods , some of four weeks and others of five weeks , calculate their PAYG instalment amount for an instalment quarter having regard to their normal accounting periods ?*

 This document has changed over time. This is a consolidated version of the ruling which was published on *13 December 2000*

Taxation Determination

Income tax: Can a taxpayer that uses 13 four weekly accounting periods or 12 accounting periods, some of four weeks and others of five weeks, calculate their PAYG instalment amount for an instalment quarter having regard to their normal accounting periods?

Preamble

*This document does not rule on the application of a 'tax law' (as defined) and is, therefore, not a 'public ruling' for the purposes of Part IVAAA of the **Taxation Administration Act 1953**. The document is, however, administratively binding on the Commissioner of Taxation. Taxation Rulings TR 92/1 and TR 97/16 together explain when a Ruling is a 'public ruling' and how it is binding on the Commissioner.*

Date of Effect

This Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

1. Yes, to the extent that the taxpayer has approval under the GST legislation (section 27-37 of *A New Tax System (Goods and Services Tax) Act 1999* (GST Act 1999)) to have different tax periods.
2. Under the Pay As You Go (PAYG) instalment provisions a taxpayer that is registered for GST and is required to pay instalments quarterly must pay an amount for each instalment quarter by the 21st day of the month following the end of the quarter (section 45-60 in Schedule 1 to the *Taxation Administration Act 1953* (TAA 1953)). For example, for a quarter that ends on 30 September, the instalment is due on 21 October. In determining the instalment payable, a taxpayer will need to calculate their instalment income for the quarter ending 30 September. The instalment payable is calculated by multiplying the taxpayer's instalment income for the period by their instalment rate.
3. Taxpayers with an annual turnover of \$20 million or more that use 13 four-weekly accounting periods or 12 accounting periods with some of four weeks and others of five weeks, can seek approval to have 12 complete tax periods for a year that reflect their normal accounting practices for the purposes of the Goods and Services Tax legislation (section 27-37 of the GST Act 1999).

4. Where the taxpayer has this approval, they may also calculate their instalment income amount for the instalment quarter over the equivalent tax periods approved for GST purposes. Approval to align tax periods with commercial accounting periods does not change the due dates for lodging Business Activity Statements or making payments. The Commissioner will remit in full any charges and civil penalties for false or misleading statements (section 284-75, 298-20 in Schedule 1 to the TAA 1953) that arise as a result of calculating their instalment based on tax periods approved for GST purposes under section 27-37 of the GST Act 1999.

Example

5. Big Bricks Construction Pty Ltd (Big Bricks Construction) uses 13 four weekly accounting periods. It has been given approval under section 27-37 of the GST Act 1999 to use 12 complete tax periods that reflect their accounting periods.

6. Big Bricks Construction is required to pay a quarterly instalment on 21 October for the instalment period ending 30 September. Big Bricks Construction's last four week accounting period which was approved as a tax period for GST purposes ended on 27 September. Big Bricks Construction would only include instalment income accumulated to 27 September when determining its instalment payable for that quarter. Big Bricks Construction would not have to pay a penalty for not including instalment income that related to the period 28 September-30 September provided that the instalment income that accumulates for these days is included in Big Bricks Construction's instalment income for the next quarter.

Commissioner of Taxation13 December 2000

Previous draft:

Previously issued as TD 2000/D10

Subject references:

- PAYG
- PAYG instalments

Legislative references:

- TAA 1953 Schedule 1
 - TAA 1953 45-60
 - TAA 1953 45-80
 - TAA 1953 284-75
 - TAA 1953 298-20
 - ANTS(GST)A99 27-37
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ATO references:

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