



TD 93/98 - Income tax: when do the final royalty withholding tax provisions first apply?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *3 June 1993*

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, 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 a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Taxation Determination

Income tax: when do the final royalty withholding tax provisions first apply?

1. The final royalty withholding tax provisions apply to royalties paid or credited to a non-resident from the commencement of the recipient's 1993-94 year of income.
2. For most royalty recipients the year of income will commence on 1 July 1993. However, where the Commissioner has approved a Substituted Accounting Period (SAP) for the recipient in accordance with section 18 of the *Income Tax Assessment Act 1936*, the royalty withholding tax provisions shall first apply from the beginning of that SAP in lieu of the normal financial year which ends on 30 June 1994.

Example 1:

A non-resident taxpayer who receives royalties has a SAP ending 31 December in lieu of the following 30 June. The royalty withholding tax provisions shall apply to royalties paid or credited to the non-resident from 1 January 1993 onwards.

Example 2:

A non-resident taxpayer who receives royalties has a SAP ending 30 September in lieu of the preceding 30 June. The royalty withholding tax provisions shall apply to royalties paid or credited to the non-resident from 1 October 1993 onwards.

Commissioner of Taxation

3/6/93

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Related Determinations:

Related Rulings:

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