

Tax table for payments made under a voluntary agreement

! FOR PAYMENTS MADE ON OR AFTER
1 JULY 2013

WHO SHOULD USE THIS TABLE?

You should use this tax table if you make payments to an individual under a voluntary agreement to withhold.

➤ For a full list of tax tables, visit our website at ato.gov.au/taxtables

Alternatively, our calculator can help you work out the correct amount of tax to withhold from payments to most payees. To access the calculator, visit our website at ato.gov.au/taxwithheldcalculator

! This document is a withholding schedule made by the Commissioner of Taxation in accordance with sections 15-25 and 15-30 of schedule 1 to the *Taxation Administration Act 1953*. It applies to withholding payments covered by section 12-55 of schedule 1.



HOW TO WORK OUT THE WITHHOLDING AMOUNT

To work out the withholding amount, you need to assess whether the payee has informed you of their Commissioner's instalment rate (CIR) and whether the amount includes GST.

➤ For more information, refer to *PAYG withholding – voluntary agreements* (NAT 3063) available on our website at ato.gov.au

IF THE PAYEE HAS INFORMED YOU OF THEIR CIR

If the payee has informed you of their CIR, use the following to work out how much to withhold:

- If the payee's CIR is greater than or equal to 20% – withhold the amount worked out by multiplying the amount of the payment by the CIR.
- If the payee's CIR is less than 20% – withhold the amount worked out by multiplying the amount of the payment by 20%. However, if your voluntary agreement with the payee states that their CIR will apply, you must withhold the amount worked out by multiplying the amount of the payment by the CIR.

IF THE PAYEE HAS INFORMED YOU THAT THEY DON'T HAVE A CIR

You must withhold 20% of the amount of the payment.

IF THE PAYMENT INCLUDES AN AMOUNT FOR GST

If the payment includes an amount for GST, you exclude this GST amount when calculating the appropriate rate to withhold.

EXAMPLE

Francesca is a marketing consultant who receives income from many sources. She has a voluntary agreement to withhold with Ashfield Accounting (her largest payer) and they have agreed to use her CIR of 16.44%.

Ashfield Accounting calculates the amount to be withheld by multiplying the amount of each payment (excluding any GST component) by 16.44%.

If Francesca and Ashfield Accounting did not have an agreement to use her CIR, the rate of withholding would be 20%.

ROUNDING OF WITHHOLDING AMOUNTS

Withholding amounts calculated by applying this table should be rounded to the nearest dollar. Results ending in 50 cents are rounded to the next higher dollar.

PAYG WITHHOLDING PUBLICATIONS

You can access all PAYG withholding tax tables and other PAYG withholding publications quickly and easily from our website at ato.gov.au/paygw

Copies of weekly and fortnightly tax tables are available from selected newsagents. Selected newsagents also hold copies of the following:

- *Tax file number declaration* (NAT 3092)
- *Withholding declaration* (NAT 3093).

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