

IT 2144W - Withdrawal - Income tax: exemption from Medicare levy

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Notice of Withdrawal

Taxation Ruling

Income tax: exemption from Medicare levy

Taxation Ruling IT 2144 is withdrawn with effect from today.

1. Taxation Ruling IT 2144 explains that a taxpayer who is entitled to an exemption from the Medicare levy must lodge their income tax instalment declaration and Medicare levy variation declaration with only one employer. This could result in the taxpayer having levy instalments deducted from a second source of salary or wages. If this happens, a variation pursuant to section 221D of the *Income Tax Assessment Act 1936* may be allowed to exclude an amount sufficient to offset the amount of any levy deducted from the tax instalments.
2. The pay as you go (PAYG) instalment system replaced the pay as you earn (PAYE) system for the 2000-2001 and later income years.
3. The Ruling does not have application to income tax years after the 1999-2000 income year.

Commissioner of Taxation

1 November 2006

ATO references

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ATOlaw topic: Income Tax ~~ Rates of tax, averaging and tax free threshold ~~ exemptions