



# ***MT 2000/2 - The New Tax System: the requirement to get an ABN for PAYG purposes if you let out a residence***

 This cover sheet is provided for information only. It does not form part of *MT 2000/2 - The New Tax System: the requirement to get an ABN for PAYG purposes if you let out a residence*

 This document has changed over time. This is a consolidated version of the ruling which was published on *30 August 2000*



## Miscellaneous Taxation Ruling

### The New Tax System: the requirement to get an ABN for PAYG purposes if you let out a residence

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#### ***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.*

#### **What this Ruling is about**

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1. This ruling considers the requirement to get an Australian Business Number (ABN) for Pay As You Go (PAYG) purposes if you let out a residence.

#### **Ruling and explanation**

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2. If you let out a property on a regular and continuous basis you are carrying on an enterprise for ABN purposes<sup>1</sup> and you are entitled to get an ABN.<sup>2</sup>

3. If you let out residential premises where the whole of the premises is to be used predominantly for residential accommodation purposes you are entitled to get an ABN, but you do not need one for PAYG withholding purposes. This is because the supply will be input taxed<sup>3</sup> and excluded from the requirement to withhold amounts from payments in relation to a supply.<sup>4</sup>

4. If you let out commercial premises and the supply is a taxable supply<sup>5</sup> for the Goods and Services Tax (GST), you will need to quote your ABN,<sup>6</sup> or your agent will need to quote the agent's ABN,<sup>7</sup> to your

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<sup>1</sup> Paragraph 38(1)(c) ANTS(ABN)A 1999

<sup>2</sup> Subsection 8(1) ANTS(ABN)A 1999

<sup>3</sup> Section 40-35 ANTS(GST)A 1999

<sup>4</sup> Paragraph 12-190(4)(d) Schedule 1 TAA 1953

<sup>5</sup> Section 9-5 ANTS(GST)A 1999

<sup>6</sup> Subsection 12-190(2) Schedule 1 TAA 1953

<sup>7</sup> Subsection 12-190(2A) Schedule 1 TAA 1953

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tenant to avoid the possibility of having an amount withheld from the rent or lease payments under the PAYG withholding laws.<sup>8</sup>

5. For a more detailed explanation of your obligations in relation to ABN, PAYG and GST see Taxation Determination GSTD 2000/9, which is about your requirement to get an ABN and register for GST if you let out a residence.

## Date of effect

6. This Ruling will apply on and from 8 July 1999 (the date of Royal Assent to the *A New Tax System (Australian Business Number) Act 1999*).

## Detailed contents list

7. Below is a detailed contents list for this Miscellaneous Taxation Ruling:

	Paragraph
<b>What this Ruling is about</b>	<b>1</b>
<b>Ruling and Explanation</b>	<b>2</b>
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**Commissioner of Taxation**  
30 August 2000

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*Previous draft:*

Not previously issued in draft form

*Related Rulings/Determinations:*

GSTD 2000/9

*Subject references:*

- Australian Business Number
- Pay As You Go Withholding
- residential accommodation
- commercial premises
- input taxed
- taxable supply

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<sup>8</sup> Subsection 12-190(1) Schedule 1 TAA 1953

*Legislative references:*

- ANTS(ABN)A 99 8(1)
- ANTS(ABN)A 99 38(1)(c)
- ANTS(GST)A 99 9-5
- ANTS(GST)A 99 40-35
- TAA 53 Sch 1 12-190(1)
- TAA 53 Sch 1 12-190(2)
- TAA 53 Sch 1 12-190(2A)
- TAA 53 Sch 1 12-190(4)(d)

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