



Australian Government
Australian Taxation Office

Additional method of working out the amount of monthly instalment liabilities in accordance with the Taxation Administration Act 1953

I, Stephen John Vesperman, Deputy Commissioner of Taxation, make this determination under subsection 45-114(3) of Schedule 1 to the *Taxation Administration Act 1953*.

Stephen Vesperman
Deputy Commissioner of Taxation

Dated: 12 November 2013

1. Revocation of previous instrument

Additional method of working out the amount of monthly instalment liabilities in accordance with the Taxation Administration Act 1953 - F2013L01906, registered on 7 November 2013, is revoked on the day after this determination is registered.

2. Name of Determination

This determination is the *Additional method of working out the amount of monthly instalment liabilities in accordance with the Taxation Administration Act 1953*.

3. Commencement

This determination commences on 1 January 2014.

4. Application

In accordance with subsection 45-114(3) of Schedule 1 to the *Taxation Administration Act 1953*, I determine:

- a) that you may work out the amount of your instalment for each instalment month being the first and second instalment month of your **instalment quarter* as follows, if at the end of that instalment month, you are a monthly payer:

Applicable instalment rate multiplied by a reasonable estimate of your instalment income for the instalment month.

- b) that if you worked out the amount of your instalment for the first and second instalment month of your **instalment quarter* according to subclause 4(a), you must work out the amount of your instalment for an instalment month that is the last instalment month of your ** instalment*

quarter as follows, if at the end of that instalment month, you are a monthly payer:

Applicable instalment rate multiplied by (your **actual instalment income* for the **instalment quarter* minus your instalment income for the first and second instalment month of that **instalment quarter* used in the calculation under subclause 4(a)).

Special rule if the amount of your instalment is negative

- c) If the amount of your instalment according to subclause 4(b) is a negative amount:
- i. the amount of your instalment income for that instalment month is taken to be zero; and
 - ii. you can revise your instalment income for the previous instalment month(s) of that **instalment quarter*, starting with the second instalment month, in the approved form.

Note: Calculating your **actual instalment income* for the purposes of subclause 4(b), does not constitute an invalid choice for the purposes of clause 6.

5. Determination (Who is covered by this Determination)

This determination applies to you if you are a monthly payer in accordance with section 45-136 of Schedule 1 to the *Taxation Administration Act 1953* and you make a valid choice according to clause 6 of this determination to work out the amount of your monthly instalment in accordance with subsection 45-114(3) of Schedule 1 to the *Taxation Administration Act 1953*.

Note: If this determination does not apply to you, you are required to work out the amount of your monthly instalment in accordance with subsection 45-114(1) of Schedule 1 to the *Taxation Administration Act 1953*

6. What constitutes a valid choice

Rules for the first income year that you are a monthly payer

- a) You make a valid choice for the purposes of this determination if you choose to work out the amount of your monthly instalment in accordance with clause 4:
- i. for the first month of your first **instalment quarter* that you became a monthly payer; or
 - ii. for the first month of your second **instalment quarter* that you became a monthly payer.
- b) If you make a valid choice in accordance with paragraph 6(a)(ii), you are taken to have made that choice for remaining months of that income year.

Rules for subsequent income years that you are a monthly payer

- c) For income years subsequent to the income year you became a monthly payer, you make a valid choice for the purposes of this determination if you choose to work out the amount of your monthly instalment in

accordance with clause 4 for the first month of your first **instalment quarter* of the income year.

- d) If you make a valid choice in accordance with subclause 6(c) you are taken to have made that choice for remaining months of the income year.

Note You are not required to notify the Commissioner that you have made a valid choice in accordance with this determination.

7. **What constitutes a valid application of the method**

Your application of this determination is valid, if your estimate of your instalment income for each instalment month for the purposes of subclause 4(a) is a reasonable estimate. If the Commissioner determines that your estimate is not a reasonable estimate your application of this determination will be taken to be invalid.

8. **Consequences of making an invalid choice or application**

If the Commissioner determines that you have not made a valid choice in accordance with clause 6 or that you have not made a valid application in accordance with clause 7, he can require you to work out the amount of your monthly instalment according to subsection 45-114(1) of Schedule 1 to the *Taxation Administration Act 1953*, for any month that you are a monthly payer in the income year in which he makes his determination and subsequent income years.

Note For the purposes of this clause the Commissioner may require you to revise your instalment income for any month in the income year that he determines that you have made an invalid choice in accordance with this determination.

9. **Definitions**

- a) The term ***instalment quarter*** has the meaning given by section 45-60 of Schedule 1 to the *Taxation Administration Act 1953*.
- b) The term ***actual instalment income*** has the meaning of instalment income given by section 45-120 of Schedule 1 to the *Taxation Administration Act 1953*.