



Australian Taxation Office

Taxation Administration Act 1953

Pay as you go withholding

PAYG Withholding Variation: Allowances – Legislative Instrument

I, Steve Vesperman, Deputy Commissioner of Taxation, vary to nil the amount required to be withheld from withholding payments that are:

- covered by sections 12-35, 12-40 and 12-45 of Schedule 1 to the *Taxation Administration Act 1953*
- within the class of cases described below.

I make this variation of the amount required to be withheld under the power contained in section 15-15 of Schedule 1 to the *Taxation Administration Act 1953* to meet the special circumstances of that class of cases.

Commencement

This instrument applies from 1 July 2015.

Repeal of previous instrument

Taxation Administration Act 1953 - PAYG Withholding Variation: Allowances – F2013L00521, registered on 21/03/2013 is repealed on the commencement of this Instrument.

Class of cases

There is no requirement to withhold an amount from allowances as described below, provided:

- the payee is expected to incur expenses that may be able to be claimed as a tax deduction at least equal to the amount of the allowance
- the amount and nature of the allowance is shown separately in the accounting records of the payer.

Allowances:

1. Cents per kilometre car expense payments up to amounts calculated using the approved cents per kilometre rate (to a maximum of 5000 business kilometres).
2. Award transport payments for deductible transport expenses. An award transport payment is a transport payment paid under an industrial instrument (i.e. an

award, order, determination or industrial agreement) that was in force under Australian law on 29 October 1986.

3. Laundry (not dry cleaning) allowance for deductible clothing up to the threshold amount. The income tax law specifies an amount of \$150 as the threshold amount, but this can be increased from time to time by regulation.
4. Award overtime meal allowances up to reasonable allowances amount published in the annual ATO Ruling. The allowance must be paid under an industrial instrument in connection with overtime worked.
5. Domestic or overseas travel allowance (excluding overseas accommodation allowance) involving an overnight absence from the payee's ordinary place of residence up to reasonable allowances amount published in the annual ATO Ruling.

Signed on 17 June 2015

Steve Vesperman
Deputy Commissioner of Taxation