

# PAYG Tax Income Installments

PAYG Income Tax Instalments is a system implemented by the Australian Taxation Office to ensure the ongoing payment of the current years' tax liability for non-salary and wage taxpayers. PAYG Income Tax Instalments are calculated by the Australian Taxation Office based on the most recent taxable income lodged by the taxpayer and these instalments are paid quarterly via Business Activity Statements or PAYG Instalment Statements. PAYG Income Tax is applied against the tax of the taxpayer for the relevant financial year and any excess PAYG income tax paid during the financial year is refunded to the taxpayer. If circumstances significantly change (i.e. a business is sold), a taxpayer is entitled to vary the instalment amount however if at the end of the financial year there is a shortfall and variations were made, the Australian Taxation Office can impose penalties. McKern & Associates will lodge PAYG Income Tax Instalments for a minimum fee of \$49.

For more information on PAYG instalments, contact your Client Manager on (07) 5593 5855.