



Australian Government
Australian Taxation Office

Updates to tax withholding schedules

The ATO stands ready to implement the measures announced in the 2020 Federal Budget.

In accordance with longstanding practice, the ATO will publish updated tax withholding schedules as soon as possible after bipartisan support has been confirmed for the Treasury Laws Amendment (A Tax Plan For The Covid-19 Economic Recovery) Bill 2020 containing the amendments to bring forward the announced tax cuts.

We will publish updated tax withholding schedules at ato.gov.au/taxtables ([/Rates/Tax-tables/](https://ato.gov.au/taxtables)). Employers may need a short time to make the changes in their payroll processes and systems in order for the tax cuts to be reflected in people's take home pay.

The ATO will work closely with providers of payroll software and employers to ensure the reduced withholding associated with the threshold changes and the increase of LITO is reflected in software as soon as practicable.

The adjustments to the withholding schedules are designed to ensure that taxpayers have the correct amount of tax withheld from their pay going forward. It is not possible for the ATO to determine the extent of 'over-withholding' that may have occurred for each and every taxpayer as this is highly dependent on individual circumstances and will be different for

everyone. Any 'over-withholding' that occurred prior to the employer updating their payroll software and processes will be included in the tax assessment of the employee at the end of the income year.

More information:

- [JobMaker Plan – temporary full expensing to support investment and jobs \(/General/New-legislation/In-detail/Direct-taxes/Income-tax-for-businesses/JobMaker-Plan---temporary-full-expensing-to-support-investment-and-jobs/\)](#)
- [JobMaker Plan – bringing forward the Personal Income Tax Plan \(/General/New-legislation/In-detail/Direct-taxes/Income-tax-for-individuals/JobMaker-Plan---bringing-forward-the-Personal-Income-Tax-Plan/\)](#)
- [JobMaker Hiring Credit \(/General/New-legislation/The-Australian-Government-s-economic-response-to-coronavirus/JobMaker-Hiring-Credit/\)](#)
- [Loss carry back \(/General/New-legislation/In-detail/Direct-taxes/Income-tax-for-businesses/Loss-carry-back/\)](#)
- [Increase the small business entity turnover threshold \(/General/New-legislation/In-detail/Direct-taxes/Income-tax-for-businesses/Increase-the-small-business-entity-turnover-threshold/\)](#)

Last modified: 07 Oct 2020

QC 63869

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Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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