


# ***TD 98/D11 - Income tax: are joining fees or annual fees paid for a 'consumer loyalty program' an allowable deduction?***

 This cover sheet is provided for information only. It does not form part of *TD 98/D11 - Income tax: are joining fees or annual fees paid for a 'consumer loyalty program' an allowable deduction?*

This document has been finalised by TD 1999/35.



Draft Taxation Determinations (TDs) represent the preliminary, though considered, views of the ATO. Draft TDs may not be relied on; only final TDs are authoritative statements of the ATO.

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## Draft Taxation Determination

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### **Income tax: are joining fees or annual fees paid for a 'consumer loyalty program' an allowable deduction?**

1. No, except when paid by an employer as a cost of employing a person, as there is no nexus between the expenditure and the derivation of assessable income.
2. A 'consumer loyalty program' is defined in Taxation Ruling TR 98/D9 'Income tax and fringe benefits tax: flight rewards received under frequent flyer and other similar consumer loyalty programs'.

#### **Your comments**

3. If you wish to comment on this draft Determination, please send your comments by 21 August 1998 to:

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**Commissioner of Taxation**  
8 July 1998

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FOI INDEX DETAIL: [Reference No.](#)

[Related Determinations:](#) TD 98/D10

[Related Rulings:](#) TR 97/D15; TR 98/D9

[Subject Ref:](#) deductions and expenses; frequent flyer benefits; non cash benefits

[Legislative Ref:](#) ITAA97 8-1

[Case Ref:](#)

[ATO Ref:](#) NAT 98/6907-7; BO 97/5833-0