IT 2108 - Income tax : tax instalment deductions from earnings of attendants engaged under the attendant care project

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TAXATION RULING NO. IT 2108

INCOME TAX : TAX INSTALMENT DEDUCTIONS FROM EARNINGS OF ATTENDANTS ENGAGED UNDER THE ATTENDANT CARE PROJECT.

F.O.I. EMBARGO: May be released

REF H.O. REF: 83/3821-3 DATE OF EFFECT: Immediate

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F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1121913	SALARY OR WAGES: EARNINGS OF ATTENDANTS TO DISABLED PERSONS	221A(1)

PREAMBLE The Department of Social Security is conducting a two year pilot project whereby specially selected disabled persons will receive an "attendant care allowance" to help offset the cost of engaging a private attendant to service their needs at home. The attendant will normally be engaged for up to 4 hours per day and will be responsible for the personal needs of the disabled person. The question has been raised whether tax instalments should be deducted from the earnings of the attendants.

RULING 2. The services provided by attendants can be equated with those provided by other professional persons who also attend to needs of their clients at home (e.g. physiotherapists). It is accepted that the earnings of attendants employed on this basis are not salary and wages within sub-section 221A(1). Accordingly, disabled persons need not deduct tax instalments from amounts paid to attendants.

COMMISSIONER OF TAXATION
2 October 1984

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