TAXATION RULING NO. IT 2184

SUBSCRIPTIONS TO THE ARMED FORCES FEDERATION OF
AUSTRALIA

F.O.I. EMBARGO: May be released

REF   H.O. REF: 85/617-7   DATE OF EFFECT:

         B.O. REF: DATE ORIG. MEMO ISSUED:

         F.O.I. INDEX DETAIL
         REFERENCE NO: SUBJECT REFS: LEGISLAT. REFS:

         I 1123996   SUBSCRIPTIONS   51
                          ARMED FORCES FEDERATION   73
                             OF AUSTRALIA

         OTHER RULINGS ON TOPIC   IT 327

PREAMBLE   The Armed Forces Federation of Australia is a voluntary
         association open to serving members and specified former members
         of the Australian Defence Force. Although the principal object
         of the Federation is to protect, foster and promote the welfare
         of members its primary concerns lie in the areas of conditions
         of service and employment and in making representations to the
         Defence Force Remuneration Tribunal on behalf of its members.

RULING   2.   In Taxation Ruling No. IT 327 it is stated that
         deductions for periodical subscriptions should be considered
         firstly under sub-section 51(1) and recourse should be had to
         sub-section 73(3) only if sub-section 51(1) was inapplicable. A
         deduction under sub-section 73(3) is limited to $42 per annum.

         3.   As the activities of the Federation are mainly
         concerned with the improvement in conditions of service and
         employment for its members, annual subscriptions to the
         Federation by serving members of the Defence Force are allowable
         as income tax deductions under sub-section 51(1).

         4.   In the case of members of the Reserve Force, one-half
         of whose pay and allowances is exempt from tax under paragraph
         23(s), the operation of sub-section 51(1) would require that
         only one-half of any annual subscription to the Federation is
         allowable as an income tax deduction. It is likely that this
         would result in a deduction of less than $42. In this event,
         recourse should be had to sub-section 73(3) and a deduction
         allowed to the extent of $42.

         5.   Annual subscriptions to the Federation by former
         members of the Defence Force would qualify for deduction under
         sub-section 73(3) to the extent of $42.

                              COMMISSIONER OF TAXATION
                                 22 August 1985

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