

IT 2187 - Income tax : effect of educational, social security and training payments on income tax liability

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TAXATION RULING NO. IT 2187

INCOME TAX : EFFECT OF EDUCATIONAL, SOCIAL SECURITY AND
TRAINING PAYMENTS ON INCOME TAX LIABILITY

F.O.I. EMBARGO: May be released

REF

H.O. REF: 84/3824-2

DATE OF EFFECT:

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I 1124048

ASSESSABLE INCOME

25(1)

EDUCATIONAL AND

159J

SOCIAL SECURITY

PAYMENTS

CONCESSIONAL REBATES

SEPARATE NET INCOME

OTHER RULING ON TOPIC IT 2114

PREAMBLE

This office was asked recently to provide advice on the extent to which certain educational, social security and training payments made by the Commonwealth Government were liable to income tax.

RULING

2. The attached schedule lists the various payments and indicates the extent to which they are considered to represent assessable income. The schedule also indicates whether the payments are to be treated as separate net income for concessional rebate purposes.

3. Some of the education and training schemes sponsored by the Commonwealth Government provide for specific re-imbursement of expenditure on books, fares, equipment etc. The amounts re-imbursed are neither assessable income nor separate net income and have not been included in the schedule.

4. In some cases payments which are made to one person are shown on the schedule to be separate net income of another person. This generally occurs where a payment is made to a parent, guardian, etc. on behalf of a child and there is a requirement that the payment be applied solely for the maintenance, training, advancement etc. of the child in respect of whom it is granted. It is because of this requirement that payment is regarded as the separate net income of the child.

5. This ruling is based on the criteria for payment which exist at the present time. Any significant alteration in the criteria for payment may well affect the income tax position notified in the schedule.

6. The following abbreviations are used in the schedule:-

P Parent/Provider/Guardian

B Student/Beneficiary/Trainee

I Income according to ordinary concepts

COMMISSIONER OF TAXATION

30 August 1985

APPENDIX

| ALLOWANCE, BENEFIT OR PENSION INCOME | PAID TO | TAXABLE | AUTHORITY | SEPARATE NET |
|--|------------|---------------------------------------|-----------|-----------------|
| EDUCATION | | | | |
| Aboriginal Secondary Grants | P | No | 23(z) | Yes of B |
| Aboriginal Study Grants Scheme | B | No (where full-time student) | 23(z) | Yes |
| Adult Migrant Education Scheme | B | No | 23(z) | Yes |
| Adult Secondary Education Assistance Scheme | B | No | 23(z) | Yes |
| Assistance for Isolated Children Scheme | P | No | 23(zaa) | No |
| Immigration Maintenance Allowance | P or B | No | 23(z) | Yes of B |
| Living Allowance for Migrants | B | No | 23(z) | Yes |
| Post Graduate Awards | B | Yes | 23(z)(iv) | Yes |
| Secondary Allowance Scheme | P | No | 23(zaa) | Yes |
| Soldier's Children Education Scheme | P or B | No | 23(z) | Yes of B |
| Tertiary Education Assistance Scheme | B | No | 23(z) | Yes |
| SOCIAL SECURITY | | | | |
| Dependant Children's Allowance | B | No | 23AD | Yes |
| Double Orphan's Pension | P | No | 23AD | Yes of B |
| Family Allowance | P | No | 23AD | No |
| Family Income Supplement | P | No | 23AD | No |

| | | | | |
|--|---|-----|------|-----|
| Handicapped Child's Allowance | P | No | 23AD | No |
| Incentive Allowance | B | No | 23AD | Yes |
| Invalid Pension | B | No* | 23AD | Yes |
| * Male under 65 female under 60 exempt income Male 65 and over female 60 and over assessable income | | | | |
| Mobility Allowance | B | No | 23AD | Yes |
| Mother's/Guardian's Allowance | B | No | 23AD | Yes |
| Pensioner Beneficiaries Families Allowance | P | No | 23AD | Yes |
| Rehabilitation Allowance | B | No | 23AD | Yes |
| Sheltered Employment Allowance | B | No | 23AD | Yes |
| Sickness Benefit | B | Yes | I | Yes |
| Sole Parent Beneficiaries Allowance | B | No | 23AD | Yes |
| Sole Parent Pensioners Allowance | B | No | 23AD | Yes |
| Special Benefit | B | Yes | I | Yes |
| Supplementary (rental) Allowance | B | No | 23AD | Yes |
| Supplementary Rental Assistance | B | No | 23AD | Yes |
| Unemployment Benefit | B | Yes | I | Yes |
| Widow's Pension and Supporting Parents Benefits (Sole Parents Pension) | B | Yes | I | Yes |
| TRAINING | | | | |
| Commonwealth Rebate for Apprentice Full-time Training (CRAFT-LAFHA) | B | Yes | I | Yes |
| Community Youth Special Project | B | Yes | I | Yes |
| Community Youth Support Scheme | B | Yes | I | Yes |

| | | | | |
|--|---|-----|--------|-----|
| General Training Assistance | B | Yes | I | Yes |
| Labour Adjustment Training Arrangements | B | Yes | I | Yes |
| Pre-Apprenticeship Allowance | B | No | 23 (z) | Yes |
| Skills in Demand | B | Yes | I | Yes |
| Special Assistance Program | B | Yes | I | Yes |
| Special Training for Aboriginals | B | Yes | I | Yes |
| Special Training for the Disabled | B | Yes | I | Yes |
| Volunteer Youth Program | B | Yes | I | Yes |