IT 2543A - Addendum - Income tax : transport allowances : deductibility of expenses incurred in travelling between home and work

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TAXATION RULING IT 2543

ADDENDUM

F.O.I. EMBARGO: may be released

Two modifications to Taxation Ruling IT 2543 have been made.

Paragraph 2

Paragraph 2, in the Preamble to the Ruling, states that the Ruling does not apply to expense claims which are excluded from the substantiation rules of Subdivision F of Division 3 of Part III of the *Income Tax Assessment Act 1936*.

The Note to paragraph 2 refers to the then proposed amendment of subsection 82KT(1A) of the *Income Tax Assessment Act 1936* to exclude certain deduction claims against allowances from the substantiation rules.

The amendment applies to claims, made against transport allowances paid under an industrial award, which do not exceed the amount of the allowance. It continues the exclusion from the substantiation rules for claims where the allowance was increased after 29 October 1986.

The amendment was enacted by section 12 of the *Taxation Laws Amendment Act (No.4) 1989* (No.167 of 1989) and, by subsection 29(6) of that Act, it applies in relation to an expense incurred in the 1988/89 and subsequent income years.

Paragraph 3

Paragraph 3 refers to Taxation Ruling IT 2488 which provided guidelines for the variation of tax instalment deductions where an employee receives an allowance paid under an industrial instrument. That Ruling was replaced by Taxation Ruling IT 2583 (as modified by Erratum to IT 2583 issued 14 May 1990) with effect from 10 May 1990.

The reference in paragraph 3 to IT 2488 is modified accordingly.

COMMISSIONER OF TAXATION
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