



Notice of Withdrawal

Taxation Ruling

Fees paid to nursing homes – whether payments to a hospital

Taxation Ruling IT 261 is withdrawn with effect from today.

1. IT 261 considers whether fees paid by a taxpayer to a nursing home, either in respect of themselves or of a dependant, represent payments to a hospital within the meaning of subsection 159P(4) of the *Income Tax Assessment Act 1936* (ITAA 1936) for medical expenses rebate purposes.
2. The medical expenses rebate is being phased out. For the 2013-2014 to 2018-2019 income years, claims for this rebate are restricted to net eligible expenses for disability aids, attendant care or aged care. Aged care expenses include fees for services and accommodation, where these are provided by an approved aged care provider.
3. After the 2018-19 income year the medical expenses rebate will no longer be available.
4. IT 261 is therefore withdrawn without replacement.

Commissioner of Taxation

5 April 2017

ATO references

NO: 1-9N72KXS

ISSN: 2205-6122

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