IT 299 - Contribution to fausa fighting fund

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TAXATION RULING NO. IT 299

CONTRIBUTION TO FAUSA FIGHTING FUND

F.O.I. EMBARGO: May be released

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I 1103408	SUBSCRIPTIONS LEVIES UNIVERSITY STAFF	51(1)

FACTS Consideration has been given to the deductibility of a levy paid to the Federation of Australian University Staff Association (FAUSA) Fighting Fund by academic staff of universities.

2. The purpose of the FAUSA Fighting Fund is to protect the jobs of members of staff in categories represented by member associations of FAUSA, where those jobs are directly threatened by actions or proposed actions of the Federal and/or a State government, and by such means as obtaining legal advice, instituting legal proceedings, arranging advertising or other publicity or by such other means as the FAUSA Council or Executive may from time to time determine.

3. The monies obtained from staff members from the donation of a day's pay on the National Day of Protest on 13 October 1981 were paid into a special investment trust account known as the "FAUSA Fighting Fund Account" and the FAUSA Executive, when it proposes to expend monies from that fund, informs each staff association in writing of its decision together with details of the nature of the expenditure proposed.

RULING 4. It is accepted that where subscriptions paid to the Federation are used to improve the members' salaries and working conditions, the necessary nexus exists between the payment of those subscriptions and the derivation of assessable income to justify deductibility in terms of the general deduction provision of the income tax law.

5. In the case of the levy, assurances were given by FAUSA that its purpose was in no way political, but that it was solely for protecting the interests of members, safeguarding their jobs and for the obtaining of legal advice or the institution of legal proceedings, etc., on their behalf. In the light of these assurances, and having regard to the objects of the Fund, the levy may be accepted as qualifying for deduction under the general deduction provision of the law.

COMMISSIONER OF TAXATION