# *TD 92/168 - Income tax: is a resident merchant seaman, in receipt of full medical cover on board an Australian ship for a specified period of the year, entitled to a Medicare Levy exemption for that period?*

This cover sheet is provided for information only. It does not form part of *TD 92/168 - Income tax: is a resident merchant seaman, in receipt of full medical cover on board an Australian ship for a specified period of the year, entitled to a Medicare Levy exemption for that period?*

**This Determination, to the extent that it is capable of being a 'public ruling' in terms of PartáIVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part . Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, the Determination applies to transactions entered into both before and after its date of issue.**

# Taxation Determination

## Income tax: is a resident merchant seaman, in receipt of full medical cover on board an Australian ship for a specified period of the year, entitled to a Medicare Levy exemption for that period?

1. No. An individual taxpayer who is an Australian resident at any time during an income year is liable to pay a Medicare Levy on his or her taxable income under paragraph 251s(1)(a) of the *Income Tax Assessment Act 1936* (ITAA), unless during that income year the taxpayer is classified as a "prescribed person".

2. A "prescribed person" is defined in subsection 251U(1) of the ITAA . The main categories are:

(a) A member of the Australian Defence Forces,
(b) A veterans' (repatriation) beneficiary,
(c) A non income tested health card holder,
(d) A non-resident of Australia,
(e) A foreign government representative, or
(f) A person certified by the Minister of Health as not being entitled to Medicare benefits under the *Health Insurance Act 1973.*

3. The rate of the Medicare Levy is, generally, a fixed percentage of the taxpayer's taxable income for the year, as set by the *Medicare Levy Act 1986*. Relief is granted to low income earning taxpayers.

*Example:*
*"A" is a resident merchant seaman fully covered for all medical expenses by his employer while at sea under the* Navigation Act 1912 *and the Seamens Compensation Act 1911. He is not a "prescribed person" like a member of the Australian Defence Forces under paragraph 251U(1)(a) of the ITAA, who is entitled to full free medical treatment during a full income year, and, subject to marital circumstances, is fully or partially exempt from payment of a Medicare Levy.*

*"A's" rights and entitlements under section 127 of the Navigation Act 1912 do not extend beyond his employment conditions. Those employment conditions do not influence full or partial exemption of a Medicare Levy.*

**Commissioner of Taxation**
08/10/92

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