TD 93/115 - Income tax: is the cost incurred in maintaining a 'silent' telephone number an allowable deduction?

This cover sheet is provided for information only. It does not form part of *TD 93/115 - Income tax: is the cost incurred in maintaining a 'silent' telephone number an allowable deduction?*

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA 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, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Taxation Determination

Income tax: is the cost incurred in maintaining a 'silent' telephone number an allowable deduction?

1. No. The character of the expenditure is neither incidental nor relevant to the work a taxpayer is engaged to perform. Accordingly the expenditure is not incurred in gaining or producing assessable income as required under the first limb of subsection 51(1) of the *Income Tax Assessment Act 1936.*

2. The expenditure relates to a decision the effect of which is to preserve anonymity and privacy. Therefore the outgoing is private in nature and is excluded from deductibilty under subsection 51(1) of the Act.

3. The view taken in this Determination is supported by the decision in *Frankcom v. FC of T* 82 ATC 4599 at 4607; (1982) 13 ATR 636 at 644-645. The Court held that expenditure for the protection of a taxpayer's home and members of his or her family is of a private or domestic nature.

Examples:

A police officer maintains a silent telephone number due to the fact that he does not wish to expose his family to threatening calls. The additional cost of maintaining the silent telephone number is not deductible. Other occupations that may fall within this category would include taxation officers, politicians and judges. In all instances the cost of maintaining the silent number is not allowable.

Commissioner of Taxation
17/6/93

FOI INDEX DETAIL: Reference No. I 1215309 Previously issued as Draft TD93/D53
Related Determinations:
Related Rulings:
Subject Ref: police, telephone expenses
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