TD 93/195 - Income tax: to what extent is a registration fee for a Continuing Professional Development (CPD) seminar deductible if a part of the fee represents the cost of food and drink to be provided as part of the seminar?

• This cover sheet is provided for information only. It does not form part of *TD* 93/195 - Income tax: to what extent is a registration fee for a Continuing Professional Development (CPD) seminar deductible if a part of the fee represents the cost of food and drink to be provided as part of the seminar?

This document has changed over time. This is a consolidated version of the ruling which was published on 7 October 1993



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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: to what extent is a registration fee for a Continuing Professional Development (CPD) seminar deductible if a part of the fee represents the cost of food and drink to be provided as part of the seminar?

1. If the registration fee is otherwise deductible under subsection 51(1) of the *Income Tax Assessment Act 1936*, other than as deductible travel, the extent to which the fee is deductible, according to the terms of section 51AE, is:

- (a) if the food and drink does not amount to entertainment, the registration fee is deductible in full (see Taxation Ruling IT 2675 for an explanation of the meaning of the expression, 'entertainment by way of food and drink', which appears in subsection 51AE(3)).
- (b) if the food and drink does amount to entertainment but the CPD seminar is an 'eligible seminar', the registration fee is deductible in full provided the food and drink was 'reasonably incidental' to a participant's attendance at the seminar (subparagraph 51AE(5)(f)(iv)).
 'Eligible seminar' is defined in subsection 51AE(1) but 'reasonably incidental' is not defined. Food and drink is reasonably incidental to a CPD seminar if it:
 - (i) is provided for sustenance because of the duration, time of day or location of the seminar;
 - (ii) is provided immediately before, during or immediately following working sessions of the seminar; and
 - (iii) is available to all seminar participants.
- (c) if the food and drink does amount to entertainment but the CPD seminar is not an eligible seminar, the registration fee is deductible only to the extent that it does not represent a cost of food and drink. The level at which a registration fee is set is generally determined, at least in part, by the estimated costs of the organiser including the cost of food and drink to be provided. The amount of the registration fee to be disallowed is that amount included in the fee in respect of the food and drink. It is not necessary for a participant to actually consume any food or drink for the fee to be apportioned. It is simply enough that the fee includes an amount in respect of food and drink.

2. The following decision tree is a useful way of establishing the extent to which a registration fee is deductible:

Does registration fee satisfy s51(1)?

No No part of fee deductible.

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Does some part of reg represent cost of food		No	Fee fully o	deductible (s51(1))	
Yes					
Does food and drink	amount to entertainment?	No	Fee fully o	deductible (s51(1)).	
Yes					
Is seminar an eligible	seminar?	No	Fee deduc	tible in part only (s.51AE)	
Yes					
Is food and drink reasonably incidental to seminar? No Fee deductible in part only (s.51AE)					
Yes					
Fee fully deductible (s51AE)				
	arranges a series of three so inars have been structured a			ing members on current legislative	
Description	<u>Seminar 1</u>	Semino Semino		<u>Seminar 3</u>	
Seminar Type	Workshop	Twilig		Luncheon	
Total Duration	2 hours	5 hour		4 hours	
Starting Time	2 nours 2pm	4pm	5	11.30am	
Refreshments	Afternoon Tea	Dinner	r	Lunch	
rtej: estimentos	15 minutes at 3pm		at 6pm	1 hour at 1pm	
	Tea & Coffee		se meal	2 course meal	
\$600 speaker's fee, \$40	r Seminar 3 is \$40 based on a	nistration	costs and \$	nated costs of \$1000 venue hire, 3000 luncheon costs spread over nd drink is therefore \$30).	
Using the decision tree,	the deductibility of each reg	gistration	fee can be si	ummarised as follows:	
Satisfy s51(1)	Yes	Yes	~	Yes	
Food & Drink	Yes	Yes		Yes	

Commissioner of Taxation			
Allowable	In Full (s51)	In Full (s51AE)	\$20 only (s51AE)
Reasonably Incidental	Not applicable	Yes	Not applicable
Eligible Seminar	Not applicable	Yes	No
Entertainment	No	Yes	Yes
Food & Drink	Yes	Yes	Yes
Sausy sol(1)	Yes	res	res

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Related Determinations:

Related Rulings: IT 2675

Subject Ref: continuing professional development; eligible seminar; entertainment expenses; reasonably incidental Legislative Ref: ITAA 51(1); ITAA 51AE

Case Ref:

ATO Ref: UMG0061

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