

TD 93/55 - Income tax: is a 'housing allowance subsidy' paid to an employee in respect of the employee's principal residence assessable under the Income Tax Assessment Act 1936 (ITAA)?

! This cover sheet is provided for information only. It does not form part of *TD 93/55 - Income tax: is a 'housing allowance subsidy' paid to an employee in respect of the employee's principal residence assessable under the Income Tax Assessment Act 1936 (ITAA)?*

! This ruling contains references to repealed provisions, some of which may have been rewritten. The ruling still has effect. Paragraph 32 in [TR 2006/10](#) provides further guidance on the status and binding effect of public rulings where the law has been repealed or repealed and rewritten. The legislative references at the end of the ruling indicate the repealed provisions and, where applicable, the rewritten provisions.

! This document has changed over time. This is a consolidated version of the ruling which was published on *29 November 2006*

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part 4VAAA 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 a 'housing allowance subsidy' paid to an employee in respect of the employee's principal residence assessable under the *Income Tax Assessment Act 1936 (ITAA)*?

1. Yes. An amount paid to an employee as a housing allowance subsidy (as described below) is considered to be an allowance given in respect of employment or services rendered and is assessable to the employee under subsection 26(e) of the ITAA.
2. Some remuneration packages provide for the payment of a housing allowance subsidy where the employee owns a home. The subsidy is not intended to be a payment or reimbursement of any particular expense of home purchase or ownership incurred by the employee. The subsidy is merely intended to maintain equitable remuneration between employees who own their homes and those whose rental of private accommodation is paid or reimbursed by the employer.
3. Because the payment is not intended to reimburse a particular expense of home purchase or ownership, a housing allowance subsidy paid in these circumstances is not a fringe benefit as defined in the *Fringe Benefits Tax Assessment Act 1986* but is assessable income of the employee.

Note: *Where rental of private accommodation is paid or reimbursed by the employer or where a payment by the employer is intended to reimburse a particular expense of home purchase or ownership, the payment would be considered to be a fringe benefit as defined in the Fringe Benefits Tax Assessment Act 1986.*

Commissioner of Taxation

1/4/93

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Related Determinations:

Related Rulings: IT 2614; TR 92/15

Subject Ref: housing allowance subsidy

Legislative Ref: ITAA 26(e); ITAA 23L; FBTA 20; FBTA 25; FBTA 40; FBTA 136(1)

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