



***TD 93/92 - Income tax: are expenses incurred by a taxpayer in obtaining valuations for gifts of property donated under the Taxation Incentives for the Arts Scheme allowable deductions?***

 This cover sheet is provided for information only. It does not form part of *TD 93/92 - Income tax: are expenses incurred by a taxpayer in obtaining valuations for gifts of property donated under the Taxation Incentives for the Arts Scheme allowable deductions?*

 This document has changed over time. This is a consolidated version of the ruling which was published on *27 May 1993*

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).

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## Taxation Determination

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### **Income tax: are expenses incurred by a taxpayer in obtaining valuations for gifts of property donated under the Taxation Incentives for the Arts Scheme allowable deductions?**

1. Yes. Expenses incurred on or after 1 July 1989 in obtaining valuations solely for the purposes of subsection 78(6B) are deductible because they are tax-related expenses for the purposes of section 69 of the *Income Tax Assessment Act 1936* (ITAA).
2. The expenditure is also deductible if the donation is a disposal of trading stock not in the ordinary course of business and an amount is included in the donor's assessable income under section 36 of the ITAA.

*Example:*

*Taxpayer A donates a painting to a public art gallery under the Taxation Incentives for the Arts Scheme. As required by subsection 78(6B), the taxpayer obtains two valuation certificates which are then endorsed by the Committee on Taxation Incentives for the Arts. The total cost of obtaining the valuations was \$600. As the \$600 was incurred solely for the purposes of subsection 78(6B), Taxpayer A is entitled to an income tax deduction for that amount.*

#### **Commissioner of Taxation**

27/5/93

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Related Determinations:

Related Rulings:

Subject Ref: art gifts; allowable deductions; donations; gifts; tax related expenses; valuation of property

Legislative Ref: ITAA 36; ITAA 51(1); ITAA 69; ITAA 78(aa); ITAA 78(6B).

Case Ref:

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