


TD 1999/D64 - Income tax: are officers of military cadets entitled to deductions for expenses incurred in the performance of their duties?

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This document has been finalised by TD 1999/63.

Draft Taxation Determination

Income tax: are officers of military cadets entitled to deductions for expenses incurred in the performance of their duties?

Preamble

Draft Taxation Determinations (DTDs) present the preliminary, though considered views of the Australian Taxation Office (ATO). DTDs should not be relied on; only final Taxation Determinations represent authoritative statements by the ATO.

1. Yes, expenditure incurred by officers may be deductible under section 8-1 of the *Income Tax Assessment Act 1997* where they receive assessable remuneration for the carrying out of these duties.
2. The expenditure is deductible where:
 - a) the expense is sufficiently connected to, and is incurred in the performance of, duty as a cadet officer;
 - b) the expenditure is not of a private, capital or domestic nature; and
 - c) another provision does not prevent the deduction.
3. Depending upon the nature of the cadet corp, officers of cadets usually receive remuneration from the Department of Defence or their employer (e.g., some school teachers are remunerated by the school rather than the Department of Defence) to perform these duties. This remuneration is assessable income. As this remuneration is salary or wages, expenses incurred in earning that income are subject to substantiation.
4. The receipt of an allowance by the officer as a result of his/her employment, does not automatically entitle the officer to a deduction for expenditure incurred in expending that allowance. (See Taxation Ruling TR 92/15 for an explanation of the income tax and fringe benefit tax implications of allowances and reimbursements.)
5. Examples of expenditure that may be incurred include maintenance of uniforms, postage, stationery, telephone calls, training aids, travel, etc.

Previous Rulings

6. The previous Taxation Ruling on this topic, IT 2347, will be withdrawn when this Determination issues in final form.

Your comments

7. We invite you to comment on this Draft Taxation Determination. We are allowing 4 weeks for comments before we finalise the Determination. If you want your comments considered, please provide them to us within this period.

Comments by date: 10 September 1999
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Commissioner of Taxation

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Previous draft:

Not previously released in draft form

Related Rulings/Determinations:

TR 92/15

Subject references:

deductions and expenses; substantiation

Legislative references:

ITAA 1997 8-1

Case references:

ATO references:

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