


TD 92/D197 - Income tax: does the receipt of a site or height allowance entitle an employee to a deduction?

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Draft Taxation Determination

Income tax: does the receipt of a site or height allowance entitle an employee to a deduction?

1. No. An employee is entitled under subsection 51(1) of the *Income Tax Assessment Act 1936* to a deduction for expenditure incurred in gaining or producing assessable income other than expenditure of a capital, private or domestic nature. The mere receipt of an allowance does not entitle an employee to a deduction.
2. The amount of a site or height allowance is assessable income and no contra deduction is allowable.

Example:

Z received a site allowance of \$1740 from his employer because of difficult working conditions and remoteness of job sites. The amount of \$1740 is included in assessable income. Z is not entitled to a deduction of \$1740.

Commissioner of Taxation
12/11/92