


IT 2145 - Income tax : BHP awards for the pursuit of excellence - whether assessable income

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TAXATION RULING NO. IT 2145

INCOME TAX : BHP AWARDS FOR THE PURSUIT OF EXCELLENCE -
WHETHER ASSESSABLE INCOME

F.O.I. EMBARGO: May be released

REF H.O. REF: 84/2972-3 DATE OF EFFECT:

B.O. REF: DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO: SUBJECT REFS: LEGISLAT. REFS:

I 1172547 ASSESSABLE INCOME: 25(1)
- BHP AWARDS FOR THE
PURSUIT OF EXCELLENCE
- PRIZES

OTHER RULINGS ON TOPIC IT 167

PREAMBLE

BHP Awards for the Pursuit of Excellence are made to Australians who have made outstanding contributions to the pursuit of excellence in their particular fields of endeavour and who may not yet be recognised for their achievements.

2. Each of the winners receives a prize of \$40,000 plus a trophy in recognition of that person's work and as an encouragement for the future. The winners are chosen from six categories which are claimed to cover every occupation and pursuit so that entry is open to all whether by nomination of others or self nomination. Judging of the nominees is by special panels including experts in the particular category. It appears that anyone who has achieved excellence will be eligible in one category or another except employees of BHP, its subsidiaries and associated companies and its advertising and associated agencies. Those employees are not eligible to enter achievements from projects related directly to their paid employment.

RULING

3. Although undoubtedly it will be the case that awards sometimes will be made in respect of achievements directly related to a winner's vocation, business, etc., the nature of the award is that of a personal windfall or gain not having the qualities of income. Such awards therefore, will not, be assessable income in the hands of recipients.

COMMISSIONER OF TAXATION
19 March 1985

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