


IT 2159 - Income tax : medical expenses : therapeutic treatment : home for mentally handicapped children

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TAXATION RULING NO. IT 2159

INCOME TAX : MEDICAL EXPENSES : THERAPEUTIC TREATMENT :
HOME FOR MENTALLY HANDICAPPED CHILDREN

F.O.I. EMBARGO: May be released

REF

H.O. REF: 84/4914-7

DATE OF EFFECT:

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F.O.I. INDEX DETAIL

REFERENCE NO:

SUBJECT REFS:

LEGISLAT. REFS:

I 1174756

MEDICAL EXPENSES

PRIVATE HOSPITAL

159P(4)

THERAPEUTIC TREATMENT

OTHER RULINGS ON TOPIC:

IT 261

PREAMBLE

The question was recently asked whether fees paid by parents in respect of children resident in an institution for mentally handicapped persons qualify as medical expenses (as defined) for rebate purposes under section 159P of the Income Tax Assessment Act.

FACTS

2. The institution provides year-round accommodation for moderately to severely mentally handicapped people. In addition to 24 hour care, it provides regular therapies, including physiotherapy, speech therapy, music therapy, movement therapy (eurythmy), and therapeutic massage under the direction of trained therapists.

3. Normal medical care is provided by an outside medical practitioner who is on 24 hour call. A large number of the residents are in the regular care of visiting specialists.

4. School age children attend "curative" classes during normal school hours five days per week and are taught according to the Rudolph Steiner Curative Curriculum which applies the Steiner principles on an individual basis to accommodate, in a therapeutic manner, the varying ability levels and handicaps of particular children.

5. The curriculum seeks to develop the child in those areas in which the child is responsive by the use of the various therapies in conjunction with a course of medical treatment.

RULING

6. For the fees paid by parents to be accepted as "medical expenses" for the purposes of section 159P the institution would need to qualify as a hospital, paragraph 159P(4)(a), or the treatment given by the institution would need to be therapeutic treatment administered by direction of a legally qualified medical practitioner, paragraph 159P(4)(d). For the reasons which follow it is considered that the fees paid by parents do

not qualify as "medical expenses".

7. Encyclopaedia Britannica contrasts a hospital with a 'home' for aged, convalescent, infirm, or indigent persons requiring mainly custodial care and in which little or no medical service is provided. The institution is seen to be more in the nature of a special school comparable to a school for the blind, school for the deaf etc. Consequently, the institution is not accepted as a hospital for the purposes of paragraph 159P(4) (a).

8. The special treatment provided at the institution is not administered by direction of a legally qualified medical practitioner. Although most persons attending the institution are understood to receive regular medical treatment from outside sources, that treatment does not involve the administration of the special curriculum provided by the institution. The requirements of paragraph 159P(4) (d) are not satisfied.

COMMISSIONER OF TAXATION
10 May 1985

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