IT 2579 - Income tax : meal expenses for long distance truck drivers

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TAXATION RULING NO. IT 2579

INCOME TAX : MEAL EXPENSES FOR LONG DISTANCE TRUCK DRIVERS

F.O.I. EMBARGO: May be released

REF N.O. REF: 89/3187-9 DATE OF EFFECT: Immediate

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

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1012081	MEAL EXPENSES	51(1)
	TRUCK DRIVERS	82KU
	TRAVEL ALLOWANCES	82KZ
	SUBSTANTIATION	

OTHER RULINGS ON TOPIC: IT 2327, 2368, 2469 and MT 2038

PREAMBLE Taxation Rulings Nos. IT 2368 and IT 2469 explain the substantiation requirements in respect of travel expenses incurred by long distance truck drivers. However, this office has recently been required to consider the circumstances in which the cost of meals purchased by truck drivers would qualify for a deduction under subsection 51(1) of the Income Tax Assessment Act 1936.

2. The cost of meals is generally considered a private expense and as such is not an allowable deduction under subsection 51(1). Decisions of various tribunals over the years confirm this general view of the law.

3. In Case U148 87 ATC 868; AAT Case 105 (1987) 18 ATR 3744, the Administrative Appeals Tribunal considered the deductibility of meal expenses incurred by a truck driver. In that case the taxpayer was employed as a truck driver working from his employer's base in Newcastle. The taxpayer's duties often involved deliveries in the general Newcastle area. However, sometimes he was required to travel between Newcastle and either Sydney or Wollongong and return on the same day. The taxpayer claimed a deduction for the cost of his meals purchased while travelling to Sydney or Wollongong and return. On these occasions a working day for the taxpayer lasted between twelve and eighteen hours. The taxpayer did not receive a meal allowance from his employer.

4. In order to determine the deductibility of the meal expenses the Tribunal drew a distinction between 'ordinary working days' and those days when the taxpayer's work kept him away from his home for a time requiring him to take three meals on the road. The Tribunal decided that a deduction was only allowable in the latter situation as in such cases the degree of departure from the norm was sufficient to displace the finding ordinarily made that meals are private in nature. The Tribunal found that it

was not necessary to take three meals on the road where the working day extended to only twelve hours. But where the taxpayer was away eighteen consecutive hours it was reasonable to buy three meals and the taxpayer was therefore allowed a deduction for the cost of meals on those occasions.

RULING

5. This office accepts that meal expenses will be deductible under subsection 51(1) where it is reasonable, in the circumstances of the particular case, for a truck driver to take three meals while on the road. This will involve a sufficient degree of departure from the norm or commonplace to displace the finding ordinarily made that the cost of meals is a private expense. The decision in the abovementioned case should be used as a guide in determining the circumstances where a deduction for the cost of a truck driver's meals should be allowed.

6. Where a driver makes more than one journey in a day those journeys should be aggregated provided the driver was unable to return to his home between trips. The aggregated period should be used to determine whether the driver was on the road long enough to require three meals and therefore be entitled to a deduction for the cost of meals.

7. Once it is considered a driver has been away for a period sufficient to require the taking of three meals then the total cost of all meals while away will be deductible subject to compliance with the substantiation provisions. The substantiation requirements are discussed in Taxation Rulings Nos. IT 2368 and IT 2469.

8. The costs of snacks taken between meals are not considered to be allowable deductions. There is an insufficient degree of departure from the norm or commonplace to displace the ordinary finding that expenditure on food is a private expense.

COMMISSIONER OF TAXATION
5 April 1990