IT 314 - Self-education expenses - Karate course

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TAXATION RULING NO. IT 314

SELF-EDUCATION EXPENSES - KARATE COURSE

F.O.I. EMBARGO: May be released

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F.O.I. INDEX DETAIL REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1070222	CONCESSIONAL REBATES	82JAA
	SELF-EDUCATION EXPENSES	159U
	KARATE COURSE	
	OTHER PLACE OF EDUCATION	

FACTS Advice was sought concerning the deductibility under section 82JAA of expenses incurred by a taxpayer on a course of karate instruction undertaken at the Tae Kwon Do School, Hobart.

2. The taxpayer, a public servant, hoped to eventually gain income by giving karate instruction but first had to be judged suitable to give this instruction by reaching a certain relatively high level of proficiency or "belt grading".

RULING 3. Generally speaking, instruction in a sport or an activity such as karate is not education in the generally accepted meaning of the term. A person may undergo such instruction and, incidentally thereto, attain a grading or a level of proficiency which enables him to gain income, for example by practising the activity professionally or by teaching it to others, but it is considered that the instruction would not thereby qualify as education. Where a person attains a grading or a high level of proficiency in such an activity solely or mainly for the purpose of teaching it to others (as distinct from engaging professionally in the activity itself) it is also considered that any instruction undertaken in reaching that level would not constitute education.

4. In any event, and regardless of the taxpayer's purposes in undertaking his instruction in karate, it was not conceded that the Tae Kwon Do School, Hobart, was a "school, college... or other place of education" within the context of section 82JAA.

5. For these reasons, the conclusion was reached that the karate instruction received by the taxpayer was not a "prescribed course of education" as defined in section 82JAA. Accordingly the taxpayer's expenditure on fees and books for the course did not qualify for deduction under section 82JAA.

COMMISSIONER OF TAXATION