# *IT 82 - Subscriptions to the Australian Association of Independent Businesses Ltd*

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# TAXATION RULING NO. IT 82

## SUBSCRIPTIONS TO THE AUSTRALIAN ASSOCIATION OF INDEPENDENT BUSINESSES LTD

F.O.I. EMBARGO: May be released

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| I 1070708 | SUBSCRIPTIONS<br>ASSOCIATION OF<br>BUSINESSMEN | 51(1) |

PREAMBLE Consideration was given to the question of whether subscriptions paid by members qualify for deduction under section 51(1).

RULING 2. The deductibility of a subscription to the Association will be primarily governed by the general deduction provision (section 51) of the Income Tax Assessment Act. The section authorises the allowance of a deduction to a taxpayer for the outgoings he incurs in gaining or producing his assessable income or necessarily incurs in carrying on a business for that purpose, to the extent that they are not of a capital, private or domestic nature.

3. The question whether taxpayers would be able to establish the necessary nexus between their subscriptions and the conduct of their business activities is one for decision on the facts of each particular case, having regard to the nature of the activities of the Association and the manner in which it is conducted. In this latter respect, of course, it could not be conceded that a subscription paid by a member to an association formed primarily to represent to Government the majority private political beliefs of its members would qualify for deduction under section 51.

4. On the other hand, subscriptions paid to a non-party-political association of businessmen formed to co-ordinate the attempts of its members to bring to the attention of the Government and its members generally the problems, and the need for improvements, in conditions affecting the day-to-day conduct of their businesses might well qualify for deduction under the section. The information so far presented regarding the actual issues raised by the Association, suggests that the activities of the Australian Association of Independent Businesses would fall within this latter category. On this assumption, the view is taken that, if called upon to do so, members should generally be able to demonstrate their entitlement to a deduction under section 51 for their subscriptions to the Association.

COMMISSIONER OF TAXATION