


TD 1999/35 - Income tax: are joining fees or annual fees paid for a 'consumer loyalty program' an allowable deduction?

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Taxation Determination

Income tax: are joining fees or annual fees paid for a ‘consumer loyalty program’ an allowable deduction?

Preamble

This Taxation Determination is a ‘public ruling’ for the purposes of Part IVAAA of the *Taxation Administration Act 1953* and is legally binding on the Commissioner. Taxation Rulings TR 92/1 and TR 97/16 together explain when a Determination is a public ruling and how it is legally binding.

Date of effect

This Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

1. No, except when paid by an employer as a cost of employing a person or where they form part of a business activity, as there would otherwise be no nexus between the expenditure and the derivation of assessable income.
2. A ‘consumer loyalty program’ is defined in Taxation Ruling TR 1999/6 ‘Income tax and fringe benefits tax: flight rewards received under frequent flyer and other similar consumer loyalty programs’.

Commissioner of Taxation

16 June 1999

Previous draft:

TD 98/D11

Related Rulings/Determinations:

TR 1999/6; TD 1999/34; TD 1999/D28

Subject references:

deductions and expenses; frequent flyer benefits; non-cash benefits

Legislative references:

ITAA97 8-1

Case references:

ATO references:

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