TD 92/D232 - Income tax: are police officers entitled to a deduction for the cost of meals and liquor purchased for informants?

This cover sheet is provided for information only. It does not form part of *TD 92/D232 - Income tax: are police officers entitled to a deduction for the cost of meals and liquor purchased for informants?*

This document has been finalised by TD 93/69.

Draft Taxation Determinations (TDs) represent the preliminary, though considered, views of the ATO. Draft TDs may not be relied on; only final TDs are authoritative statements of the ATO.

Draft Taxation Determination

Income tax: are police officers entitled to a deduction for the cost of meals and liquor purchased for informants?

1. No. We consider the cost of providing meals and liquor to be the provision of entertainment by way of food and drink as described in subsection 51AE(3) of the Income Tax Assessment Act ("the ITAA"). Entertainment expenses incurred after 19 September 1985 cannot be allowed as a deduction (subsection 51AE(4) of the ITAA).

2. However, where a police officer buys goods other than meals and liquor for an informant (e.g. a carton or packet of cigarettes), the cost of those goods will be an allowable deduction subject to the sustantiation provisions being satisfied. Draft Taxation Determination92/D231 sets out the requirements of the substantiation provisions in relation to both cash payments and non-cash payments made by police officers to informants. It should be consulted to ensure those requirements are met.

Commissioner of Taxation
10/12/92

FOI INDEX DETAIL: Reference No.
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