


TD 93/D89 - Income tax: does a person cease to be engaged in a course of full-time education for the purposes of the pro-rating of the tax-free (zero rate) threshold when the person joins the Australian Defence Force Academy?

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This document has been finalised by TD 93/102.

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: does a person cease to be engaged in a course of full-time education for the purposes of the pro-rating of the tax-free (zero rate) threshold when the person joins the Australian Defence Force Academy?

1. No. An officer cadet is engaged in a full-time course of education for the purposes of the application of Division 4 (sections 16 to 20) of the *Income Tax Rates Act 1986* (ITRA) whilst undertaking a full-time academic course at the Australian Defence Force Academy (ADFA).
2. An ADFA officer cadet is employed as a full time member of the Defence Forces' Corps of Officer Cadets. An officer cadet is required to undertake military studies, training and other duties. The cadet is paid salary and allowances and is entitled to recreation leave and superannuation.
3. The officer cadet is also required to complete a tertiary level academic course at ADFA on a full-time basis. The academic courses are offered by the University College at the Defence Academy under the auspices of the University of New South Wales. In these circumstances the officer cadet is engaged in a course of full-time education at a university.

Example:

David completed Year 12 education in November 1992. He then accepted an ADFA cadetship which commenced in early 1993. As an officer cadet David undertook a full-time course of university education (Bachelor of Science degree) which he completes in November 1995. David, therefore, will have first stopped full-time education in the 1995-1996 income year. The pro-rating of the tax-free (zero rate) threshold under section 20 of the ITRA does not occur until the 1996 income year.

Commissioner of Taxation

15/04/93

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Related Determinations: TD 93/D26

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