TD 94/D1 - Income tax: Where a taxi driver travels between his/her principal place of residence and the collection point of a taxi, are the costs of travel deductible?

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This document has been finalised by TD 94/17.

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: Where a taxi driver travels between his/her principal place of residence and the collection point of a taxi, are the costs of travel deductible ?

1. No. The private nature of travel to and from a place of employment is generally well established at law, except in specific circumstances. [see *Lunney v. FCT*; *Hayley v. FCT* 100 C.L.R. 478, 7 AITR 166]

2. In this instance, the underlying purpose of the travel is to transport the taxi driver to the point where income derivation may occur. As such, the expense is incurred preparatory to, and in anticipation of, the earning of assessable income rather than having been incurred in deriving that income. Accordingly it is not an allowable deduction under sub section 51(1) of the *Income Tax Assessment Act (1936).* [see *FCT v. Genys* 87 ATC 4875, 19 ATR 356]

Example:

3. Bill Jones travels from his home to a place where he collects a taxi cab and commences driving a taxi shift. He collects the taxi cab at 4 o'clock in the morning and no public transport to the place is available.

4. Notwithstanding the lack of transport and erratic hours of employment [*Case U156,* 87 ATC 908], the travel retains its private character and arises as a consequence of Bill living in one place and commencing work in another, hence any expense incurred in that travel is not deductible.

Commissioner of Taxation
6/1/94

FOI INDEX DETAIL: Reference No.
Related Determinations:
Related Rulings:
Subject Ref: taxis; travel; travel between home and work
Legislative Ref: ITAA 51(1)
Case Ref: *Lunney & Hayley v FCT* 100 C.L.R. 478, 7 AITR 166
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Case U156 87 ATC 908
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