


IT 2030 (as amended 25.01.85) - Income tax: value of employees' housing for tax instalment deduction purposes: 'remote' towns - for s.26AAAB purposes

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TAXATION RULING NO. IT 2030 (as amended 25.01.85)

INCOME TAX: VALUE OF EMPLOYEES' HOUSING FOR TAX
INSTALMENT DEDUCTION PURPOSES
: "REMOTE" TOWNS - FOR s.26AAAB PURPOSES

F.O.I. EMBARGO: May be released

REF H.O. REF: S 104/1/53 P1 F134

B.O. REF: DATE ORIG. MEMO ISSUED: 17.01.83

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1104137	SUBSIDISED HOUSING EMPLOYEES' HOUSING VALUE OF EMPLOYEES' HOUSING TAX INSTALMENT DEDUCTIONS REMOTE TOWNS NON-REMOTE TOWNS NOTIONAL ANNUAL RENTAL VALUE	26AAAB 221D

PREAMBLE For the purposes of computing tax instalment deductions from remuneration paid to an employee, section 221C of the Income Tax Assessment Act 1936 requires that an employee be deemed to have received as salary or wages, in addition to any actual payment of money, the amount fixed by any award as the value to the employee of the use of accommodation or quarters provided by his or her employer. Under section 221D, the Commissioner is authorised to vary the amount of instalments to be deducted from the salary or wages of an employee or a class of employees to meet special circumstances.

2. An employer with a large number of employees in various locations who are eligible under section 26AAAB for the concessional basis of determining the assessable value of residential accommodation provided to them by the employer sought, as a matter of administrative convenience, approval of the Commissioner to adopt a notional annual rental value for general use in calculating tax instalment deductions of such employees. An industrial award governing the conditions of employment of employees in the particular industry fixed monetary values on the housing supplied to the employees by reference to the localities in which the housing was situated.

3. The employer also submitted a list of towns in which employees were located and sought agreement with its classification of the towns identified according to whether or not they were "remote", i.e., whether they were not at or adjacent to an eligible urban area within the meaning of sub-paragraph 26AAAB(1) (a).

RULING

4. The Commissioner has exercised his power under Section 221D of the Income Tax Assessment Act to allow the employer to adopt a notional rental value, for PAYE purposes only, of \$6 per week for employees who occupy employer-provided accommodation and who meet the "remoteness" test of sub-paragraph 26AAAB(1)(a). This figure represents a weekly rental value of \$60 which is considered widely representative of housing accommodation values in "remote" areas.

5. It is, nevertheless, open to an employee to establish that the value for a particular unit of accommodation is something less than \$6 per week. Any application for a lesser value would need to be supported by full details of the accommodation.

6. If an employee pays rent in respect of employer-provided accommodation, the notional value of \$6 per week would be reduced by the amount of rent paid. For example, an employee who pays rent of \$6 per week or more would have his or her notional value reduced from \$6 per week to nil.

7. The notional figure of \$6 per week is only for convenience of application of the PAYE system and does not represent the value to be returned as assessable income by the employee. Taxpayers who seek the benefit of the section 26AAAB concession will need to either calculate the amount to be included in their assessable income of a particular year by reference to the actual market rental value of the particular accommodation in the base year or furnish sufficient information to enable the assessable value to be determined.

8. The notional annual rental value of \$312 (\$6 per week) used for PAYE purposes is not to be shown by the employer at label Q, Column 2 of the employee's group certificate. The amount shown at this label should be the full value of residential accommodation provided to the employee.

9. The towns listed by the employer have been categorised as either "remote" or "non-remote" for the purposes of section 26AAAB. It should be noted that this list is not intended to be an exhaustive list of all towns throughout Australia which may be categorised as "remote" or "non-remote".

COMMISSIONER OF TAXATION

1 September 1983

APPENDIX

REMOTE

New South Wales

BARRABA	GRENFELL	MULLUMBIMBY
BATEMANS BAY	GRIFFITH	MURRURUNDI
BEGA	GULGONG	MUSWELLBROOK
BOMBALA	GUNDAGAI	NAMBUCCA HEADS
BOURKE	GUNNEDAH	NAROOMA
BREWARRINA	HARDEN	NARRABRI

BYRON BAY	HAY	NARRANDERA
CANOWINDRA	HENTY	NARROMINE
COBAR	INVERELL	NYNGAN
CONDOBOLIN	IVANHOE	OBERON
COOMA	JUNEE	PARKES
COONABARABRAN	KANDOS	QUIRINDI
COONAMBLE	KEMPSEY	SCONE
COOTAMUNDRA	KYOGLE	TEMORA
COROWA	LEETON	TENTERFIELD
COWRA	LOCKHART	TUMUT
CROOKWELL	MACKSVILLE	ULLADULLA
DENILIQVIN	MACLEAN	WALCHA
EDEN	MANILLA	WALGETT
FINLEY	MERIMBULA	WARREN
FORBES	MERRIWA	WELLINGTON
GILGANDRA	MOREE	WERRIS CREEK
GLEN INNES	MORUYA	WEST WYALONG
GLOUCESTER	MUDGEES	YOUNG

REMOTE

Victoria

ARARAT	MARYBOROUGH
BAIRNSDALE	MYRTLEFORD
CAMPERDOWN	PORTLAND
COLAC	STAWELL
ECHUCA	SWAN HILL
HAMILTON	WARRACKNABEAL
HORSHAM	YARRAWONGA
KERANG	
KORUMBURRA	
LEONGATHA	

REMOTE

Queensland

ATHERTON	HUGHENDEN	WARWICK
AYR	INGHAM	YEPOON
BABINDA	INNISFAIL	WEIPA
BARCADDINE	KAWANA WATERS	
BILOELA	KINGAROY	
BLACKALL	LONGREACH	
BLACKWATER	MAREEBA	
BOWEN	MAROOCHYDORE	
CALOUNDRA	MILES	
CHARLEVILLE	MONTO	
CHARTERS TOWERS	MOSSMAN	
CHILDERS	MUNDUBBERA	
CHINCHILLA	MURGON	
CLERMONT	NAMBOUR	
COLLINSVILLE	NANANGO	
COOROE	PITTSWORTH	
CUNNAMULLA	PROSERPINE	
DALBY	RAVENSHOE	
EMERALD	ROMA	

GAYNDAH	ST GEORGE
GOONDIWINDI	STANTHORPE
GYMPIE	TEWANTIN
HOME HILL	TULLY

REMOTE

South Australia

BORDERTOWN
CLARE
KADINA
LOXTON
MILLICENT
NARACORTE
PORT LINCOLN
RENMARK
STREAKY BAY
WOOMERA

REMOTE

Northern Territory

KATHERINE

REMOTE

Western Australia

BOYUP BROOK
BRIDGETOWN
BROOME
BUSSELTON
CARNARVON
COLLIE
ESPERANCE
HARVEY
KARRATHA
KATANNING
KUNUNURRA
MANJIMUP
MERREDIN
MOORA
MOUNT BARKER
NARROGIN
NORSEMAN
PORT HEDLAND
WAGIN

REMOTE

Tasmania

GEORGE TOWN
QUEENSTOWN
SCOTTSDALE

SMITHTON

NON-REMOTE

New South Wales

ALBURY	GRAFTON	QUEANBEYAN	WOLLONGONG
ARMIDALE	GUYRA	RAYMOND TERRACE	WOONONA
BALLINA	KATOOMBA	RICHMOND	WOY WOY
BATHURST	KIAMA	RIVERSTONE	WYONG
BELLINGEN	KURRI KURRI	SINGLETON	YASS
BLACKHEATH	LAURIETON	SHELL HARBOUR	
BLAXLAND	LISMORE	SOUTH WAGGA WAGGA	
BLAYNEY	LITHGOW	SPRINGWOOD	
BOWRAL	MAITLAND	ST MARYS	
BROKEN HILL	MITTAGONG	TAMWORTH	
CAMDEN	MOLONG	TAREE	
CAMPBELLTOWN	MORISSETT	TERRIGAL	
CASINO	MOSSVALE	THE ENTRANCE	
CESSNOCK	MURWILLUMBAH	THIRROUL	
COFF'S HARBOUR	NELSON BAY	TOUKLEY	
CORRIMAL	NEWCASTLE	TWEED HEADS	
DUBBO	NORTH ALBURY	UMINA BEACH	
DUNGO	NOWRA	URALLA	
ETTALONG BEACH	ORANGE	WAGGA WAGGA	
FAIRY MEADOW	PENRITH	WAUCHOPE	
FORSTER	PICTON	WESTON (ACT)	
GOSFORD	PORTLAND	WINDSOR	
GOULBURN	PORT MACQUARIE	WINGHAM	

NON-REMOTE

Victoria

BACCHUS MARSH	SUNBURY
BALLARAT	TATURA
BELMONT	TRARALGON
BENALLA	WANGARATTA
BENDIGO	WARRAGUL
BERWICK	WARRNAMBOOL
CASTLEMAINE	WERRIBEE
CORIO	WODONGA
GEELONG	
GEELONG WEST	
HASTING	
KYABRAM	
KYNETON	
MILDURA	
MOE	
MORNINGTON	
MORWELL	
NUMURKAH	
ROSEBUD	
SALE	
SEYMOUR	
SHEPPARTON	

NON-REMOTE

Queensland

AITKENVALE	PIALBA
BEAUDESERT	ROCKHAMPTON
BOONAH	SARINA
BTRIBIE ISLAND	SOUTHPORT
BUNDABERG	SURFERS PARADISE
BURLEIGH HEADS	TOOWOOMBA
CABOOLTURE	TOWNSVILLE
CAIRNS	
COOLANGATTA	
GATTON	
GLADSTONE	
GORDONVALE	
HERMIT PARK	
IPSWICH	
KILCOY	
LAIDLEY	
MACKAY	
MARYBOROUGH	
MOUNT MORGAN	
MOUNT ISA	
NORTH ROCKHAMPTON	
OAKEY	

NON-REMOTE

South Australia

GAWLER
MOUNT GAMBIER
MURRAY BRIDGE
NURIOOTPA
PORT AUGUSTA
PORT PIRIE
STRATHALBYN
VICTOR HARBOUR
WHYALLA
WHYALLA NORRIE

NON-REMOTE

Northern Territory

ALICE SPRINGS
CASUARINA
DARWIN

NON-REMOTE

Western Australia

ALBANY
BOULDER
BUNBURY

GERALDTON
KALGOORLIE
MANDURA
NORTHAM
YORK

NON-REMOTE

Tasmania

BURNIE
CYGNET
DEVONPORT
LAUNCESTON
MOWBRAY
NEW NORFOLK
ULVERSTONE

