IT 2187 - Income tax : effect of educational, social security and training payments on income tax liability

This cover sheet is provided for information only. It does not form part of *IT 2187 - Income tax : effect of educational, social security and training payments on income tax liability*

TAXATION RULING NO. IT 2187

INCOME TAX : EFFECT OF EDUCATIONAL, SOCIAL SECURITY AND TRAINING PAYMENTS ON INCOME TAX LIABILITY

F.O.I. EMBARGO: May be released

REF H.O. REF: 84/3824-2 DATE OF EFFECT:

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

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1124048	ASSESSABLE INCOME EDUCATIONAL AND SOCIAL SECURITY PAYMENTS CONCESSIONAL REBATES SEPARATE NET INCOME	25(1) 159J

OTHER RULING ON TOPIC IT 2114

PREAMBLE This office was asked recently to provide advice on the extent to which certain educational, social security and training payments made by the Commonwealth Government were liable to income tax.

RULING 2. The attached schedule lists the various payments and indicates the extent to which they are considered to represent assessable income. The schedule also indicates whether the payments are to be treated as separate net income for concessional rebate purposes.

3. Some of the education and training schemes sponsored by the Commonwealth Government provide for specific re-imbursement of expenditure on books, fares, equipment etc. The amounts re-imbursed are neither assessable income nor separate net income and have not been included in the schedule.

4. In some cases payments which are made to one person are shown on the schedule to be separate net income of another person. This generally occurs where a payment is made to a parent, guardian, etc. on behalf of a child and there is a requirement that the payment be applied solely for the maintenance, training, advancement etc. of the child in respect of whom it is granted. It is because of this requirement that payment is regarded as the separate net income of the child.

5. This ruling is based on the criteria for payment which exist at the present time. Any significant alteration in the criteria for payment may well affect the income tax position notified in the schedule.

6. The following abbreviations are used in the schedule:-

P Parent/Provider/Guardian

B Student/Beneficiary/Trainee

I Income according to ordinary concepts

COMMISSIONER OF TAXATION
30 August 1985

APPENDIX

ALLOWANCE, BENEFIT OR PENSION INCOME	PAID TO	TAXABLE	AUTHORITY	SEPARATE NET
EDUCATION				
Aboriginal Secondary Grants	P	No	23(z)	Yes of B
Aboriginal Study Grants Scheme	B	No (where full-time student)	23(z)	Yes
Adult Migrant Education Scheme	B	No	23(z)	Yes
Adult Secondary Education Assistance Scheme	B	No	23(z)	Yes
Assistance for Isolated Children Scheme	P	No	23(zaa)	No
Immigration Maintenance Allowance	P or B	No	23(z)	Yes of B
Living Allowance for Migrants	B	No	23(z)	Yes
Post Graduate Awards	B	Yes	23(z)(iv)	Yes
Secondary Allowance Scheme	P	No	23(zaa)	Yes
Soldier's Children Education Scheme	P or B	No	23(z)	Yes of B
Tertiary Education Assistance Scheme	B	No	23(z)	Yes
SOCIAL SECURITY				
Dependant Children's Allowance	B	No	23AD	Yes
Double Orphan's Pension	P	No	23AD	Yes of B
Family Allowance	P	No	23AD	No
Family Income Supplement	P	No	23AD	No

Handicapped Child's Allowance	P	No	23AD	No
Incentive Allowance	B	No	23AD	Yes
Invalid Pension	B	No*	23AD	Yes

* Male under 65 female under 60 exempt income
Male 65 and over female 60 and over assessable income

Mobility Allowance	B	No	23AD	Yes
Mother's/Guardian's Allowance	B	No	23AD	Yes
Pensioner Beneficiaries Families Allowance	P	No	23AD	Yes
Rehabilitation Allowance	B	No	23AD	Yes
Sheltered Employment Allowance	B	No	23AD	Yes
Sickness Benefit	B	Yes	I	Yes
Sole Parent Beneficiaries Allowance	B	No	23AD	Yes
Sole Parent Pensioners Allowance	B	No	23AD	Yes
Special Benefit	B	Yes	I	Yes
Supplementary (rental) Allowance	B	No	23AD	Yes
Supplementary Rental Assistance	B	No	23AD	Yes
Unemployment Benefit	B	Yes	I	Yes
Widow's Pension and Supporting Parents Benefits (Sole Parents Pension)	B	Yes	I	Yes

TRAINING

Commonwealth Rebate for Apprentice Full-time Training (CRAFT-LAFHA)	B	Yes	I	Yes
Community Youth Special Project	B	Yes	I	Yes
Community Youth Support Scheme	B	Yes	I	Yes

General Training Assistance	B	Yes	I	Yes
Labour Adjustment Training Arrangements	B	Yes	I	Yes
Pre-Apprenticeship Allowance	B	No	23(z)	Yes
Skills in Demand	B	Yes	I	Yes
Special Assistance Program	B	Yes	I	Yes
Special Training for Aboriginals	B	Yes	I	Yes
Special Training for the Disabled	B	Yes	I	Yes
Volunteer Youth Program	B	Yes	I	Yes