


IT 2321 - Income tax : fees paid to part-time members of governmental tribunals, committees, etc - requirement on member to pay fees into partnership account

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TAXATION RULING NO. IT 2321

INCOME TAX : FEES PAID TO PART-TIME MEMBERS OF
GOVERNMENTAL TRIBUNALS, COMMITTEES, ETC - REQUIREMENT
ON MEMBER TO PAY FEES INTO PARTNERSHIP ACCOUNT

F.O.I. EMBARGO: May be released

REF H.O. REF: 85/5425-1 DATE OF EFFECT: Immediate
86/4565-5
J237/32/1 Pt 2

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

F.O.I. INDEX DETAIL

| REFERENCE NO: | SUBJECT REFS: | LEGISLAT. REFS: |
|---------------|------------------|-----------------|
| I 1209287 | SALARY OR WAGES | 221A(1) |
| | SITTING FEES | 221C(1A) |
| | ADMINISTRATIVE | |
| | APPEALS TRIBUNAL | |

OTHER RULINGS ON TOPIC: IT 2014

PREAMBLE This Office has recently considered the question of whether tax instalment deductions are required to be made from sitting fees paid to part-time members of the Administrative Appeals Tribunal and other Governmental tribunals and committees, who are also engaged in a professional practice partnership and are required, pursuant to the terms of the partnership agreement, to pay those fees into a partnership account.

RULING 2. Sub-section 221C(1A) of the Income Tax Assessment Act, 1936 requires an employer to make tax instalment deductions at prescribed rates from salary or wages paid to an employee. The sitting fees paid to members of the Administrative Appeals Tribunal and other Governmental tribunals and committees fall within the terms "salary or wages" as defined in section 221A of the Act. Section 221D allows the Commissioner to vary the deduction requirement.

3. It has been decided that, to the extent that a partner is properly required, in accordance with the terms of a partnership agreement, to pay the sitting fees into a partnership account, it is not appropriate to require deduction of tax instalments from the sitting fees.

4. Accordingly, it is determined that tax instalment deductions need not be made from sitting fees paid in those circumstances.

COMMISSIONER OF TAXATION
25 June 1986

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