


IT 293 - Gifts to eligible overseas aid agencies

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TAXATION RULING NO. IT 293

GIFTS TO ELIGIBLE OVERSEAS AID AGENCIES

F.O.I. EMBARGO: May be released

REF

H.O. REF: L80/46 P3 F94

DATE OF EFFECT:

B.O. REF:

DATE ORIG. MEMO ISSUED: 24.07.81

F.O.I. INDEX DETAIL

REFERENCE NO:

SUBJECT REFS:

LEGISLAT. REFS:

I 1104465

GIFTS

78(1) (a) (lxii)

OVERSEAS AID AGENCIES 78(8)

FACTS

Amendments to section 78 of the Income Tax Assessment Act give effect to the 1980-81 Budget Speech announcement of the Government's decision to provide a new income tax concession for gifts of \$2 or more made to public funds established by certain eligible overseas aid agencies for the relief of persons in developing countries.

2. In addition to ensuring the deductibility of gifts to funds maintained by the 22 organisations originally announced as eligible for the concession in the Treasurer's joint statement on 18 September 1980 with the then Minister for Foreign Affairs, those amendments, which were contained in the Income Tax Laws Amendment Act 1981, sanction procedures for future extensions of the scheme to additional overseas aid bodies that seek and obtain the necessary ministerial approval.

3. Under the concession, gifts made to a public fund established by an organisation that is approved for the purposes of the scheme by the Minister for Foreign Affairs will qualify for deduction where the Treasurer is satisfied that the fund is one exclusively for the relief of persons in countries that, at that time, are under certification by the Minister for Foreign Affairs as developing countries and where the Treasurer has, by notice published in the Gazette, declared the fund to be an eligible fund for purposes of the scheme.

4. Generally, gifts to a fund that become eligible under these procedures will be deductible from the date specified in the Gazette in which the fund is declared to be an eligible fund, not being a date earlier than the date of the Gazette. Transitional provisions were, however, built into the scheme to apply to gifts to a fund maintained by one of the 22 named organisations. The transitional arrangements allow such gifts to qualify for deduction where made after 18 September 1980.

5. The public funds established by the 22 organisations nominated in the 18 September ministerial statement were formally declared by the Treasurer to be eligible funds for the purposes of the concession in Special Gazette No.S129 of 30 June 1981 and their approval was announced in a statement issued by the Treasurer on the same date; Press Release No.120 of 1981.

6. The effect of the gazettal is that gifts of \$2 or more made on or after 19 September 1980 to the declared funds are eligible for deduction. However, because of the delay in finalising both the administrative and legislative arrangements for the concession a number of the approved organisations had, on the strength of the ministerial announcement, acted to solicit gifts for eligible overseas aid purposes prior to the formal establishment of the required fund. There is no intention that gifts should fail to qualify for deduction on those grounds.

7. This raises the practical problem of identifying eligible gifts in circumstances where receipts may have been issued in a name that does not coincide with the name of the eligible fund as finally established and approved. In the majority of such cases it is probable that receipts will have been issued in the name of the approved organisation itself, although it is known that in some instances gifts have been solicited as part of an approved organisations annual appeal for general gifts for overseas aid. It is recognised that not all gifts made in these circumstances will have been made and applied for eligible overseas aid purposes and some may have been made prior to 19 September 1980. On the other hand it is a reasonable prima facie assumption that a taxpayer making a claim for a gift to one of the nominated organisations or, where appropriate, its appeal was acting on the basis of the announced concession and on the basis that it had been made for eligible purposes.

RULING

8. In the particular circumstances that have occurred on the introduction of the concession, and given the impracticability of querying all claims made, deductions sought for gifts of \$2 or more to the nominated organisations or, where appropriate, their appeals should be allowed. This direction is, of course, subject to any evidence in the return otherwise that makes it clear that a gift was not made for eligible purposes or was made prior to 19 September 1980 and subject also to ordinary assessing procedures relating to query action.

9. The procedures authorised by this ruling are to apply for assessments of income for the year ended 30 June 1981 only. In respect of future years the scheme will have settled down so that the general rule will be to allow deductions only where they are claimed as paid in the name of particular gazetted funds.

10. The attached Schedule lists the original 22 approved organisations and their respective funds as well as the names of a further twelve organisations and their eligible funds, details of which were released in Press Statements No. 176 of 1982 and No. 8 of 1983. The Schedule also sets out the effective dates of the relevant Gazette notices.

COMMISSIONER OF TAXATION

SCHEDULE TO TAXATION RULING NO. IT 293
OVERSEAS AID ORGANISATIONS

| APPROVED ORGANISATION EFFECT (ON OR AFTER) | NAME OF FUND | DATE OF |
|---|---|---------|
| Austcare 19.9.80 | The Austcare Distribution Fund | |
| Australian Catholic 19.9.80 Relief | Australian Catholic Relief Overseas Aid Fund | |
| Australian Council of 19.9.80 Churches | Australian Council of Churches World Christian Action Overseas Programmes | |
| Australian Freedom from 19.9.80 Hunger Campaign | Australian Freedom from Hunger Campaign Special Overseas Aid Fund | |
| Community Aid Abroad 19.9.80 | Community Aid Abroad A Account | |
| Foster Parents Plan of 19.9.80 Australia | Foster Parents Plan of Australia Income Account | |
| Lutheran World Federation 19.9.80 Australian Office | -The Lutheran World Federation Overseas Aid Fund | |
| Save the Children Fund 19.9.80 Australia | Save the Children Fund Australia - Overseas Aid Account | |
| The UNICEF Committee of 19.9.80 Australia | The United Nations Children's Fund (UNICEF) | |
| World Vision of Australia 19.9.80 | World Vision of Australia Overseas Aid Fund | |
| The Association of Apex 19.9.80 Clubs of Australia | The Association of Apex Clubs of Australia Overseas Relief Fund | |
| Australian Baptist World 19.9.80 Aid and Relief Committee | Australian Baptist World Aid and Relief Committee Overseas Aid Fund | |

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| Australian Red Cross 19.9.80 Society | Australian Red Cross Developing Countries Aid Fund |
| For Those Who Have Less 19.9.80 | For Those Who Have Less Special Overseas Aid Fund |
| Quaker Service Council 19.9.80 Australia | Quaker Service Council Australia Overseas Aid Fund |
| Fourth Avenue In Motion 19.9.80 | F.A.I.M. (Rotary) Overseas Aid Fund |
| Seventh-Day Adventist 19.9.80 World Service | Seventh-Day Adventist World Service Overseas Aid Fund |
| Society of Saint Vincent 19.9.80 De Paul | Society of Saint Vincent De Paul National Council of Australia Overseas Committee |
| The National Council of The 19.9.80 Young Men's Christian Associations of Australia | The Australian YMCA World Work Fund |
| The Young Women's Christian 19.9.80 Association of Australia | The Young Women's Christian Association Overseas Aid Fund |
| Overseas Service Bureau 19.9.80 | Overseas Service Bureau Donations Account |
| International Disaster 19.9.80 Emergencies Committee | IDEC Kampuchean Relief Appeal IDEC African Relief Appeal |
| African Enterprise 3.9.82 | African Enterprise Overseas Aid and Development Fund |
| Australian Churches of 3.9.82 Christ Overseas Mission Board | Churches of Christ Overseas Aid |
| Christian Foundation for 3.9.82 the Blind | The Christian Foundation for the Blind Overseas Relief and Development Fund |

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| Compassion Ltd 3.9.82 | The Compassion Overseas Aid and Development Fund |
| Institute of Cultural 3.9.82 Affairs | The Institute of Cultural Affairs : Overseas Fund for Developing Countries |
| PALMS Development Workers 19.1.83 | The PALMS Overseas Fund |
| The Salvation Army 3.9.82 | The Salvation Army (Australia) Self Denial Fund (for Overseas Aid) |
| TEAR Fund 3.9.82 | TEAR Fund (Australia) Developing Countries Aid Fund |
| Uniting Church Commission 3.9.82 for World Mission | The Uniting Church in Australia Commission for World Mission Overseas Programmes Fund |
| Sudan Interior Mission 19.1.83 | The Sudan Interior Mission Aid Fund |
| Marist Mission Centre 19.1.83 | Australian Marist Centre Overseas Aid Fund |
| Anglican Church of the 19.1.83 Diocese of Sydney | The Archbishop of Sydney's Overseas Relief and Aid Fund |