



TD 2004/75 - Income tax: are payments to a volunteer respite carer to cover expenses of providing respite care for a disabled person assessable income?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *15 February 2012*



Taxation Determination

Income tax: are payments to a volunteer respite carer to cover expenses of providing respite care for a disabled person assessable income?

Preamble

*The number, subject heading, date of effect and paragraphs 1 to 9 of this document are a 'public ruling' for the purposes of Part IVAAA of the **Taxation Administration Act 1953** and are legally binding on the Commissioner.*

1. No. Payments to a volunteer respite carer to cover expenses of providing respite care for a disabled person are not assessable income.
2. Assessable income includes ordinary income under section 6-5 of the *Income Tax Assessment Act 1997* (ITAA 1997) and statutory income as defined in section 6-10 of the ITAA 1997. Statutory income includes amounts included in assessable income by section 15-2 of the ITAA 1997.
3. Whether or not a particular receipt is ordinary income depends on its character in the hands of the recipient. A receipt that, in a real sense, is a product of any employment of, or services rendered by, the recipient, or of any business or other income producing activity carried on by the recipient, or compensation for the loss of other income will, generally, be ordinary income.
4. [Omitted.]
5. Volunteer respite carers are not paid any amount for their time or to reward them for any personal services they provide. They are volunteering their time without any expectation of monetary reward. Nor are they providing the care as an employee, carrying on a business of respite care or being paid any amount to compensate for the loss of other income. The payments therefore do not have the characteristics of ordinary income and so are not assessable under section 6-5.
6. Section 15-2 includes as statutory income allowances gratuities, compensations, benefits, bonuses and premiums paid in respect of or in relation to employment or services rendered by a person.
7. Payments to volunteer respite carers are considered to be in the nature of a reimbursement of expenses of providing respite care to a disabled person. They are not paid as an allowance or as any of the other kinds of payments in respect of employment or services rendered that are covered by section 15-2. The payments are therefore not assessable income under section 15-2.

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Example

8. *Peter provides volunteer respite care for a child with disabilities for one weekend (Friday evening to Monday morning) per month. Peter is paid an amount of \$350 for the weekend by an organisation that arranges respite care for disabled persons. The payment is intended to cover expenses incurred in providing the respite care including food and drink, laundry, recreation activities and transport. The payment is considered to be in the nature of a reimbursement of expenses and therefore is not included in Peter's assessable income.*

Date of effect

9. This Determination applies to years of income commencing both before and after its date of issue. However, the Determination does not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 75 and 76 of Taxation Ruling TR 2006/10).

Commissioner of Taxation

15 December 2004

Previous draft:

TD 2004/D66

- disabled care expenses
- income
- reimbursed expenses

Related Rulings/Determinations:

TR 2006/10

Legislative references:

- ITAA 1997 6-5
- ITAA 1997 6-10
- ITAA 1997 15-2
- TAA 1953 Pt IVA

Subject references:

- allowances vs reimbursements
- carer payments

ATO references

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ATOlaw topic: Income Tax ~~ Assessable income ~~ volunteers