



# ***TD 92/110 - Income tax: is the cost of attending a fundraising function tax deductible as a gift?***

 This cover sheet is provided for information only. It does not form part of *TD 92/110 - Income tax: is the cost of attending a fundraising function tax deductible as a gift?*

 This document has changed over time. This is a consolidated version of the ruling which was published on *1 July 1992*

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, the Determination applies to transactions entered into both before and after its date of issue.

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## Taxation Determination

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### **Income tax: is the cost of attending a fundraising function tax deductible as a gift?**

1. The cost of attending a fundraising function is not deductible under the gift provisions of section 78 of the *Income Tax Assessment Act 1936* if a material benefit is received. An amount is only deductible if the money or property donated amounts to a 'gift'.

2. For a transaction to amount to a 'gift', the money or property must be transferred voluntarily and the donor must not receive an advantage of a material character in return. A donor would not be taken to have received a material benefit if, in acknowledgement for making a donation, the donor is given something of trifling or insubstantial value such as a sticker or plastic lapel badge.

- Note:**
- 1) Donors should keep receipts for any gifts which they wish to claim as a tax deduction.
  - 2) There may be cases where a donor may be able to claim some part of the contribution as advertising or promotion expenses incurred in running his or her business.

*Examples:*

1. A person attends a '\$100 a plate dinner'. Whether or not the subscription exceeds the cost of the meal, the person has received a material benefit in exchange for the purchase price of the ticket. No part of the \$100 is tax deductible.

2. A person attends a fundraising dinner and pays \$20 which is for the cost of the meal. Later, the 'hat is passed around' by the organisers and the person contributes \$2 or more towards the particular charity. The \$20 cost of the meal is not deductible. However, a contribution of \$2 or more would be deductible as a gift providing the charity satisfies the requirements of section 78. Had the person got a benefit for his or her contribution, e.g. participated in an auction and purchased an item with the contribution, no deduction would be available.

**Commissioner of Taxation**

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