


TD 92/114 - Income Tax: are membership subscriptions to political parties deductible under paragraph 78(1)(aaa)?

 This cover sheet is provided for information only. It does not form part of *TD 92/114 - Income Tax: are membership subscriptions to political parties deductible under paragraph 78(1)(aaa)?*

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVA 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.

Taxation Determination

Income Tax: are membership subscriptions to political parties deductible under paragraph 78(1)(aaa)?

1. Yes. Paragraph 78(1)(aaa) of the *Income Tax Assessment Act 1936* allows deductions for contributions to registered political parties within the meaning of the *Commonwealth Electoral Act 1918*. We consider that the word 'contributions' includes membership subscriptions paid to registered political parties.
2. Deductibility of contributions is subject to the following provisos:
 - i. contributions eligible for deduction are those made on or after 1 July 1991;
 - ii. subsection 51(7A) limits the **total amount deductible** in any income year to \$100;
 - iii. a contribution has to be of the value of \$2 or more - if a contribution is made by way of property other than money, the taxpayer making the contribution must have purchased the property within the 12 months before making the contribution;
 - iv. a contribution can not be a testamentary contribution; and
 - v. a contributor can **not** be a company.

Commissioner of Taxation

09/07/92

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