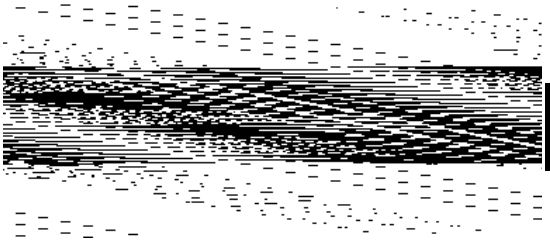
TD 93/174 - Income tax: does the receipt of a travel allowance automatically entitle an employee to a deduction for travel expenses under section 8-1 of the Income Tax Assessment Act 1997?

This cover sheet is provided for information only. It does not form part of *TD 93/174 - Income tax: does the receipt of a travel allowance automatically entitle an employee to a deduction for travel expenses under section 8-1 of the Income Tax Assessment Act 1997?*

This document has changed over time. This is a consolidated version of the ruling which was published on *17 August 2011*

Generated on: 4 November 2026, 10:54:46 PM



Taxation Determination TD 93/174

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, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).
*[**Note:** This is a consolidated version of this document. Refer to the ATO Legal Database (http://law.ato.gov.au) to check its currency and to view the details of all changes.]*

Taxation Determination

Income tax: does the receipt of a travel allowance automatically entitle an employee to a deduction for travel expenses under section 8-1 of the *Income Tax Assessment Act 1997*?

1. No. The mere receipt of an allowance does not entitle an employee to a deduction, whether or not the allowance is received under an industrial award.

2. Some taxpayers and tax agents would appear to be confused as to whether a taxpayer receiving an allowance is automatically entitled to a deduction equal to the amount of the allowance.

3 The receipt of an allowance imparts no greater degree of deductibility to an expense which is incurred in relation to that allowance (see *Case T100* 86 ATC 1169 and *Case U156* 87 ATC 908). Therefore, whether a deduction is allowable for travel expenses is a separate question, unrelated to whether a taxpayer receives a travel allowance.

4. [Omitted.]

Examples

1. Sonia, regional manager for a supermarket chain, is required to inspect stores in Bathurst, Orange and Lithgow. For the three day trip she receives a travel allowance. Sonia is not automatically entitled to a deduction equal to the allowance. A deduction for travel costs incurred is allowable, subject to satisfaction of the substantiation requirements.

2. Robert, a bank teller, was moved to a branch some distance from his home. He is paid a compensatory allowance for the additional travelling time it now takes him to get to work and home again. Robert is not entitled to a deduction against the allowance.

Commissioner of Taxation
2/9/93

FOI INDEX DETAIL: Reference No. I 1216043 Previously issued as Draft TD 93/D107
Related Determinations:
Related Rulings: IT 112, IT 113, IT 117, IT 2122, IT 2481, IT 2487, IT 2543, IT 2644, MT 2027
Subject Ref: travel; allowances: allowable deductions
Legislative Ref: ITAA 1997 8-1
Case Ref: *Case T100* 86 ATC 1169; *Case U156* 87 ATC 908
ATO Ref: SSO TD01

ISSN 1038 - 8982