



***TD 93/55 - Income tax: is a 'housing allowance subsidy' paid to an employee in respect of the employee's principal residence assessable under the Income Tax Assessment Act 1936 (ITAA)?***

 This cover sheet is provided for information only. It does not form part of *TD 93/55 - Income tax: is a 'housing allowance subsidy' paid to an employee in respect of the employee's principal residence assessable under the Income Tax Assessment Act 1936 (ITAA)?*

 This document has changed over time. This is a consolidated version of the ruling which was published on 1 April 1993

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, 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).

---

## Taxation Determination

---

**Income tax: is a 'housing allowance subsidy' paid to an employee in respect of the employee's principal residence assessable under the *Income Tax Assessment Act 1936* (ITAA)?**

1. Yes. An amount paid to an employee as a housing allowance subsidy (as described below) is considered to be an allowance given in respect of employment or services rendered and is assessable to the employee under subsection 26(e) of the ITAA.
2. Some remuneration packages provide for the payment of a housing allowance subsidy where the employee owns a home. The subsidy is not intended to be a payment or reimbursement of any particular expense of home purchase or ownership incurred by the employee. The subsidy is merely intended to maintain equitable remuneration between employees who own their homes and those whose rental of private accommodation is paid or reimbursed by the employer.
3. Because the payment is not intended to reimburse a particular expense of home purchase or ownership, a housing allowance subsidy paid in these circumstances is not a fringe benefit as defined in the *Fringe Benefits Tax Assessment Act 1986* but is assessable income of the employee.

**Note:** *Where rental of private accommodation is paid or reimbursed by the employer or where a payment by the employer is intended to reimburse a particular expense of home purchase or ownership, the payment would be considered to be a fringe benefit as defined in the Fringe Benefits Tax Assessment Act 1986.*

**Commissioner of Taxation**

1/4/93

---

FOI INDEX DETAIL: Reference No. I 1214540

Previously issued as Draft TD93/D27

Related Determinations:

Related Rulings: IT 2614; TR 92/15

Subject Ref: housing allowance subsidy

Legislative Ref: ITAA 26(e); ITAA 23L; FBTA 20; FBTA 25; FBTA 40; FBTA 136(1)

Case Ref:

ATO Ref: PNR T95 Pt3

---

ISSN 1038 - 8982