TD 93/69 - Income tax: are police officers entitled to claim a deduction for the cost of meals and liquor provided to informants?

This cover sheet is provided for information only. It does not form part of *TD 93/69 - Income tax: are police officers entitled to claim a deduction for the cost of meals and liquor provided to informants?*

This document has changed over time. This is a consolidated version of the ruling which was published on *15 April 1993*

Generated on: 26 November 2026, 01:32:46 AM

This Determination, to the extent that it is capable of being a 'public ruling' in terms of PartáIVAAA 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: are police officers entitled to a deduction for the cost of meals and liquor provided to informants?

Meals

1. We do not consider the purchase of a light meal to be the provision of entertainment under subsection 51AE(4) of the *Income Tax Assessment Act 1936* (Taxation Ruling IT 2675). Therefore, if a police officer buys a light meal for an informant in exchange for information a deduction will be allowable provided the expense can be substantiated. TD 93/68 sets out the substantiation requirement for this type of expense. IT 2675 (paragraph 7) describes a 'light meal' as being 'sandwiches and other 'hand food, salads, orange juice etc'. More elaborate meals than these take on the characteristics of entertainment. Because of subsection 51AE(4) a police officer will not be entitled to a deduction for the cost of these more elaborate meals.

Examples

(a) A police officer purchases sandwiches for an informant in the course of obtaining information from the informant. The cost of the sandwiches is deductible providing the cost can be substantiated.

(b) A police officer purshases a meal for an informant at a hotel bistro in the course of obtaining information from the informant. By purchasing the meal the officer has provided entertainment to the informant. The police officer will not be entitled to the cost of the meal as a deduction.

Liquor

2. We view the provision of alcohol to an informant to be the provision of entertainment regardless of whether or not the alcohol is provided with a light meal. Our reasons for holding this view are discussed in IT 2675 at paragraph 18. Consequently subsection 51AE(4) operates to preclude any deduction being allowable under subsection 51(1) for the costs of the food or the alcohol.

Examples

(a) A police officer meets an informant in a hotel and purchases alcohol for an informant in exchange for information. The officer cannot claim the cost of the alcohol as a deduction.

(b) A police officer meets an informant in a hotel and purchase a light meal and alcohol for the informant in exchange for information. The officer cannot claim the cost of either the meal or the alcohol as a deduction.

Commissioner of Taxation
15/04/93

FOI INDEX DETAIL: Reference No. I 1214719
Previously issued as Draft TD 92/D232
Related Determinations: TD 93/68
Related Rulings: IT 2675
Subject Ref: informants, police, meals
Legislative Ref: ITAA 51(1), 51AE
Case Ref:
ATO Ref: AW 920159

ISSN 1038 - 8982