



Addendum

Taxation Ruling

Income tax: employee police officers-allowances, reimbursements and work-related deductions

This Addendum amends Taxation Ruling TR 95/13 to clarify the circumstances in which a deduction will be allowed for police informant expenses.

Taxation Ruling TR 95/13 is amended as follows:

1. Paragraph 22

Omit subparagraph entitled **Informant expenses**; substitute:

Informant expenses: A deduction is allowable for payments made to informants by police officers during the course of their duties, provided that:

- the payments are made within the guidelines of the Police Department in relation to such payments; and
- the relevant guidelines do not allow for the reimbursement of the payments (paragraphs 134 to 136).

2. Paragraph 134 to 136

Omit the paragraphs; substitute:

134. A deduction is allowable for payments made by police officers to informants to obtain evidence or information, whether or not an allowance has been received by the police officers when:

- the payments are made within the guidelines of the Police Department, and
- the guidelines do not provide for reimbursements of payments made under them.

Such payments may take the form of cash or goods such as cigarettes and light meals.

135. If the non-cash payment is in the form of a meal, a deduction will only be allowable if the meal is light, such as a sandwich or salad. More elaborate meals are usually considered to be entertainment expenses and not an allowable deduction (see Taxation Rulings IT 2675 and TR 97/17). The provision of alcohol with or without meals is usually entertainment and not an allowable deduction (see Taxation Rulings IT 2675 and TR 97/17).

136. Informant expenses are out of pocket expenses paid by a police officer to another person for the provision of information relating to specific police matters in which the officer is involved. Each Police Department has guidelines in relation to the making of these payments and their reimbursement.

3. Other rulings on this topic

Omit 'TD 93/68; TD 93/69'.

This Addendum applies on and from 6 April 2011.

Commissioner of Taxation

6 April 2011

ATO references

NO: 1-2EGZZNR

ISSN: 1039-0731

ATOlaw topic: Income Tax ~~ Assessable income ~~ allowances and benefits
Income Tax ~~ Deductions ~~ other employment related expenses