


TR 96/19A1 - Addendum - Income tax: chemists: Pharmaceutical Benefits Scheme income

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Addendum

Taxation Ruling

Income tax: chemists: Pharmaceutical Benefits Scheme income

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Taxation Ruling TR 96/19 to reflect changes to the law resulting from the repeal of inoperative provisions and to update the outline of the operation of the Pharmaceutical Benefits Scheme.

TR 96/19 is amended as follows:

1. Paragraph 2

Omit 'Regardless of whether the amount of the payment under the PBS is assessable under subsection 25(1) or paragraph 26(g) of the *Income Tax Assessment Act 1936* (the ITAA), the payment is included in assessable income in the year it is derived.'

2. Paragraph 4

Omit the list; substitute:

- The PBS operates under the NHA and is administered by Medicare Australia.
- Under the PBS an approved pharmacist or approved medical practitioner who has supplied a pharmaceutical benefit is entitled to a payment from the Commonwealth.
- If the prescription for the supply of the pharmaceutical benefit is an entitlement card prescription, the entitlement is to payment of an amount equal to the Commonwealth price of the benefit. In all other cases, it is to payment of the amount by which the Commonwealth price exceeds the amount that the pharmacist or approved medical practitioner is entitled to charge under subsection 87(2) or subsection 87(3) of the NHA.
- The approved supplier has to make a claim if they want to receive the payment.

3. Paragraphs 15 to 19

Omit the paragraphs.

4. Paragraph 20

Omit 'subsection 25(1)'; substitute 'section 6-5 of the *Income Tax Assessment Act 1997*'.

5. Legislative references

Omit:

- ITAA 25(1)
- ITAA 26(g)

Insert:

- ITAA 1997 6-5

6. Case references

Omit:

- *First Provincial Building Society Limited v. FC of T* 95 ATC 4145 (1995) 30 ATR 207
- *FC of T v. Whitfords Beach Pty Ltd* 82 ATC 4031 (1982) 12 ATR 692

This Addendum applies on and from 14 September 2006.

Commissioner of Taxation

11 January 2012

ATO references

NO: 1-3L9OKXM

ISSN: 1039-0731

ATOlaw topic: Income Tax ~~ Assessable income ~~ when income derived