



Addendum

Class Ruling

Income Tax: Science Prizes:

- The Prime Minister's Prize for Science.
- The Malcolm McIntosh Prize – Physical Scientist of the Year.
- The Science Minister's Prize – Life Scientist of the Year.
- The Prime Minister's Prize for Excellence in Science Teaching in Primary Schools.
- The Prime Minister's Prize for Excellence in Science Teaching in Secondary Schools.

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Class Ruling CR 2002/83 to reflect changes to the name and number of awards and prize monies payable under the Prime Minister's Prizes for Science.

CR 2002/83 is amended as follows:

- 1. Title and paragraph 3**
 - (a) After the first dot point; insert:
 - The Prime Minister's Prize for the Commercial Application of Science.
 - (b) Omit all occurrences of '–'; substitute 'for'.
 - (c) Omit 'Science Minister's'; substitute 'Frank Fenner'.

2. Page status

- (a) Omit from pages 1 to 6 'FOI status: **may be released**'; substitute 'Page status: **legally binding**'.
- (b) Omit from pages 7 to 11 'FOI status: **may be released**'; substitute 'Page status: **not legally binding**'.

3. Table of contents

Omit the table of contents; substitute:

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4. Preamble

Omit the preamble; substitute:

This publication (excluding appendixes) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes.

If you rely on this ruling, the Commissioner must apply the law to you in the way set out in the ruling (unless the Commissioner is satisfied that the ruling is incorrect and disadvantages you, in which case the law may be applied to you in a way that is more favourable for you – provided the Commissioner is not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

[Note: This is a consolidated version of this document. Refer to the Legal Database (<http://law.ato.gov.au>) to check its currency and to view the details of all changes.]

5. Paragraph 1

- (a) Omit from the heading 'Class'.
- (b) Omit 'tax law(s)'; substitute 'relevant provision(s)'.
- (c) Omit 'persons'; substitute 'entities'.
- (d) Omit 'arrangement'; substitute 'scheme'.

6. Paragraph 2

Omit the paragraph including the heading; substitute:

Relevant provision(s)

2. The relevant provisions dealt with in this Ruling are:

- Section 6-5 of the *Income Tax Assessment Act 1997* (ITAA 1997)
- Section 6-10 of the ITAA 1997
- Section 10-5 of the ITAA 1997, and
- Section 15-2 of the ITAA 1997.

All subsequent legislative references in this Ruling are to the ITAA 1997 unless otherwise indicated.

7. Paragraph 3

- (a) Omit from the heading 'persons'; substitute 'entities'.
- (b) Omit the first sentence; substitute:

The class of entities to whom this Ruling applies are the award recipients of the following Prizes:

- (c) Omit the last sentence; substitute:

All of these listed Prizes are awarded and administered by Questacon – the National Science and Technology Centre, a Division of the Commonwealth Department of Industry.

8. Paragraphs 4 to 6

Omit all occurrences of 'arrangement'; substitute 'scheme'.

9. Paragraph 5

- (a) Omit 'Taxpayers who come within the class of persons'; substitute 'The class of entities'.
- (b) Omit 'below at paragraphs 9 to 16 in'; substitute 'in paragraphs 9 to 16 of'.

10. Paragraph 6

After 'in this Ruling'; insert ', then'.

11. Paragraph 7

Omit the paragraph.

12. Paragraphs 8

- (a) Omit 'paragraphs 21 to 22 of Taxation Ruling TR 92/20'; substitute 'paragraphs 75 to 76 of Taxation Ruling TR 2006/10'.
- (b) Omit the last sentence including dot points.

13. Paragraph 9 (including heading)

- (a) Omit all occurrences of 'Arrangement'; substitute 'Scheme'.
- (b) Omit the last dot point; substitute:
 - Application for Class Ruling addendum dated 26 November 2014, and
 - Information on Internet Website www.industry.gov.au/scienceprizes as referred to in the previously mentioned document. Full details about the Prime Minister's Prizes for Science can be obtained from this website, last updated on 31 October 2014.

14. Paragraph 10

Omit the paragraph; substitute:

10. The Prime Minister and the Minister responsible for Science award a number of annual science and science teaching prizes. The Prime Minister's Prizes for Science are a national tribute to excellence and dedicated work and are part of the Government's ongoing commitment to supporting and promoting the important contribution made to our daily lives by Australian innovations in science and technology, and science education. The Prizes are those stated in paragraph 3 of this Ruling.

15. Paragraph 11

- (a) Omit 'excellence in science'; substitute 'a significant advancement of knowledge in the excellence of science'.
- (b) Omit the second sentence; substitute 'The Prize is a tribute to achievement in the advancement of knowledge that contributes to, or has application in other fields of knowledge.'
- (c) After 'specific achievement'; insert 'or a series of related achievements'
- (d) Omit 'prize in 2002 was \$300,000'; substitute 'Prize is \$250,000'.
- (e) Omit from the seventh sentence 'prize'; substitute 'Prize'.
- (f) After the paragraph; insert:

11A. The Prime Minister's Prize for the Commercial Application of Science is the nation's pre-eminent award for a significant technological innovation that has led to the betterment of humanity. The Prize was created to recognise the need to improve Australia's economic performance through better translation of research into commercial outcomes, to celebrate the collaborative achievements of Australian science; and to highlight the contributions of these achievements to our quality of life. It is normally presented to an individual for an outstanding specific achievement or a series of related achievements in any area of science advancing human welfare or benefiting society. In this context, science encompasses the natural, applied and technological sciences, engineering and mathematics. There are no restrictions as to when the achievement was accomplished in the candidate's career. The value of the Prize is \$250,000. The Prize may also be awarded jointly to up to four individuals, if the achievement can be clearly shown to be collaborative or team effort. In addition, the Prize may be considered for a lifetime of achievement for an exceptional candidate. Eligibility for this Prize is limited to Australian citizens or those who hold permanent resident status in Australia. Candidates must have a demonstrable link to Australia and should be active in science at the time of nomination.

16. Paragraphs 12 and 13

- (a) Omit the second sentence; substitute:

This Prize is awarded to individuals whose nominated achievement was realised not more than ten years after being awarded their highest degree, the ten years being measured on either a full time or full time equivalent basis. The value of the Prize is \$50,000.
- (b) Omit 'should be active in science'; substitute 'at least four years of the candidate's research career must have been spent in Australia'.

17. Paragraph 13

Omit 'Science Minister's'; substitute 'Frank Fenner'.

18. Paragraphs 14 and 15

(a) Omit the second sentence; substitute:

The Prize of \$50,000 is shared equally between the teacher and the school, that is, the teacher receives \$25,000 and the school where the teacher is employed at the time of nomination receives \$25,000.

(b) Omit from the fourth sentence 'prize'; substitute 'Prize'.

(c) After second occurrence of 'science education'; insert 'in the Australian school system'.

19. Paragraph 16

Omit the paragraph; substitute:

16. Nominations for the Prizes are usually invited at the beginning of each year and as details become available they will be announced and promoted on the website shown at paragraph 9 of this Ruling.

20. Paragraph 17

Omit the paragraph; substitute:

17. The Prizes listed at paragraph 3 of this Ruling are not assessable income under sections 6-5, 6-10 or 15-2.

Commissioner of Taxation

13 December 2002

21. Paragraph 18, heading 'Explanations'

(a) Omit the heading; substitute 'Appendix 1 – Explanation'.

(b) Insert after the heading:

❶ *This Appendix is provided as information to help you understand how the Commissioner's view has been reached. It does not form part of the binding public ruling.*

22. Paragraph 19

Omit 'of the ITAA 1997'.

23. Paragraph 20

- (a) Omit '*Squatting Investment Co Ltd v. Federal Commissioner of Taxation* (1953) 86 CLR 570, (1953) 5 AITR 496; (1953) 10 ATD 126'; substitute '*Squatting Investment Co Ltd v. Federal Commissioner of Taxation* (1953) 86 CLR 570; [1953] HCA 13; (1953) 5 AITR 496; (1953) 10 ATD 126'.
- (b) Omit '*Scott v. Federal Commissioner of Taxation* (1966) 117 CLR 514; (1966) 10 AITR 367; (1966) 14 ATD 286'; substitute '*Scott v. Federal Commissioner of Taxation* (1966) 117 CLR 514; [1966] HCA 48; (1966) 10 AITR 367; (1966) 14 ATD 286'.
- (c) Omit '*Hayes v. Federal Commissioner of Taxation* (1956) 96 CLR 47; (1956) 6 AITR 248; (1956) 11 ATD 68'; substitute '*Hayes v. Federal Commissioner of Taxation* (1956) 96 CLR 47; [1956] HCA 21; (1956) 6 AITR 248; (1956) 11 ATD 68'.
- (d) Omit '*Federal Commissioner of Taxation v. Dixon* (1952) 86 CLR 540; (1952) 5 AITR 443; (1952) 10 ATD 82'; substitute '*Federal Commissioner of Taxation v. Dixon* (1952) 86 CLR 540; [1952] HCA 65; (1952) 5 AITR 443; (1952) 10 ATD 82'.
- (e) Omit '*FC of T v. Blake* (1984) 75 FLR 315; (1984) 15 ATR 1006'; substitute '*Federal Commissioner of Taxation v. Blake* (1984) 75 FLR 315; 84 ATC 4661; (1984) 15 ATR 1006'.

24. Paragraph 21, 22, 25, 27 & 28

- (a) Omit all occurrence of 'prizes'; substitute 'Prizes'.

25. Paragraph 24

- (a) Omit all occurrence of 'of the ITAA 1997'.
- (b) Omit 'paragraph 26(e) of the ITAA 1936'; substitute 'section 15-2'.

26. Paragraphs 25 & 27

- (a) Omit 'Paragraph 26(e) of the ITAA 1936'; substitute 'Section 15-2'.
- (b) Omit 'paragraph 26(e) of the ITAA 1936'; substitute 'section 15-2'.

27. Paragraphs 25 & 26

Omit 'arrangement', substitute 'scheme'.

28. Paragraph 28

Omit 'either section 6-5 or section 6-10 of the ITAA 1997'; substitute 'sections 6-5, 6-10 or 15-2'.

29. Paragraph 29

Omit the paragraph including heading and Commissioner's signature; substitute:

Appendix 2 – Detailed contents list

29. The following is a detailed contents list for this Ruling:

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30. Related Rulings/Determinations

Omit 'TR 92/1; TR 92/20; IT 2145; CR 2001/1; TR 97/16'; substitute 'IT 2145; TR 2006/10'.

31. Legislative references

(a) Omit:

- TAA 1953 Pt IVAAA
- ITAA 1936 26(e)
- Copyright Act 1968

(b) Insert:

- ITAA 1997
- ITAA 1997 15-2
- TAA 1953

32. Case references

Omit the case references; substitute:

- *Federal Commissioner of Taxation v. Blake* (1984) 75 FLR 315; 84 ATC 4661; (1984) 15 ATR 1006
- *Federal Commissioner of Taxation v. Dixon* (1952) 86 CLR 540; [1952] HCA 65; (1952) 5 AITR 443; (1952) 10 ATD 82
- *Hayes v. Federal Commissioner of Taxation* (1956) 96 CLR 47; [1956] HCA 21; (1956) 6 AITR 248; (1956) 11 ATD 68
- *Scott v. Federal Commissioner of Taxation* (1966) 117 CLR 514; [1966] HCA 48; (1966) 10 AITR 367; (1966) 14 ATD 286
- *Squatting Investment Co Ltd v. Federal Commissioner of Taxation* (1953) 86 CLR 570; [1953] HCA 13; (1953) 5 AITR 496; (1953) 10 ATD 126

33. Other references

Insert:

Other references

- www.industry.gov.au/scienceprizes

34. ATO References

(a) After 'NO:'; insert '2002/019810'.

(b) Insert:

ATOlaw topic: Income tax ~~ Assessable income ~~ Other types of income ~~ Prizes and lotteries

This Addendum applies on and from 11 February 2015.

Commissioner of Taxation

11 February 2015

ATO references

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