


TD 93/D26 - Income tax: first stopped full-time education: tax-free threshold: has a person stopped full-time education for the first time during the year of income if that person completed secondary education at the end of the school year and could not obtain enrolment in a further course of full-time education until after 30 June?

 This cover sheet is provided for information only. It does not form part of *TD 93/D26 - Income tax: first stopped full-time education: tax-free threshold: has a person stopped full-time education for the first time during the year of income if that person completed secondary education at the end of the school year and could not obtain enrolment in a further course of full-time education until after 30 June?*

This document has been finalised by TD 93/157.

Draft Taxation Determinations (TDs) represent the preliminary, though considered, views of the ATO. Draft TDs may not be relied on; only final TDs are authoritative statements of the ATO.

Draft Taxation Determination

Income tax: first stopped full-time education: tax-free threshold: has a person stopped full-time education for the first time during the year of income if that person completed secondary education at the end of the school year and could not obtain enrolment in a further course of full-time education until after 30 June?

1. Yes. The person first stopped full-time education because he/she:
 - was engaged in full-time education at some time during the year; and
 - was not engaged in full-time education at 30 June.
2. Although enrolment in a course of education is deemed to be engagement in that course, the fact that the person was seeking enrolment does not amount to engagement in full-time education.
3. Sections 16-20 inclusive of the *Income Tax Rates Act 1986* say that when a person has first stopped full-time education at a school, college, university or similar institution during the year of income, the tax-free threshold generally available to resident individuals may need to be reduced in working out the tax payable.

Example:

Deanne completed Year 12 and obtained the Victorian Certificate of Education in December 1991. Her various applications for admission to post-secondary full-time courses at established educational institutions were unsuccessful until she became enrolled at a TAFE College in July 1992 for a course commencing later that month. Deanne first stopped full-time education during the 1991-1992 income year and the tax-free threshold generally available, i.e., \$5400, is reduced on a pro-rata monthly basis.

Commissioner of Taxation

04/02/93

FOI INDEX DETAIL: Reference No.

Related Determinations:

Related Rulings:

Subject Ref: first stopped full-time education; students; tax-free threshold

Legislative Ref: ITRA 1986 16-20

Case Ref:

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