


# ***TD 93/D27 - Income tax: is a 'housing allowance subsidy' paid to an employee in respect of the employee's principal residence assessable under the Income Tax Assessment Act 1936 (ITAA)?***

 This cover sheet is provided for information only. It does not form part of *TD 93/D27 - Income tax: is a 'housing allowance subsidy' paid to an employee in respect of the employee's principal residence assessable under the Income Tax Assessment Act 1936 (ITAA)?*

This document has been finalised by TD 93/55.

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.

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## Draft Taxation Determination

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### **Income tax: is a 'housing allowance subsidy' paid to an employee in respect of the employee's principal residence assessable under the *Income Tax Assessment Act 1936 (ITAA)*?**

1. Yes. An amount paid to an employee as a housing allowance subsidy (as described below) is considered to be an allowance given in respect of employment or services rendered and is assessable to the employee under subsection 26(e) of the ITAA.
2. Some remuneration packages provide for the payment of a housing allowance subsidy where the employee owns a home. The subsidy is not intended to be a payment or reimbursement of any particular expense of home purchase or ownership incurred by the employee. The subsidy is merely intended to maintain equitable remuneration between employees who own their homes and those whose rental of private accommodation is paid or reimbursed by the employer.
3. A housing allowance subsidy paid in these circumstances is not a fringe benefit as defined in the *Fringe Benefits Tax Assessment Act 1986* but is assessable income of the employee.

**Commissioner of Taxation**

04/02/93

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FOI INDEX DETAIL: Reference No.

Related Determinations:

Related Rulings: IT 2614; TR 92/15

Subject Ref: housing allowance subsidy

Legislative Ref: ITAA 26(e); ITAA 23L; FBTAA 20; FBTAA 25; FBTAA 40; FBTAA 136(1)

Case Ref:

ATO Ref: PNR T95 Pt3

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