



TD 93/D43 (Withdrawn) - Income tax: rebates for dependants: do losses of previous years reduce the separate net income of a dependant for the purposes of calculating a rebate under the provisions of section 159J of the Income Tax Assessment Act 1936?

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 This document has been Withdrawn.

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: rebates for dependants: do losses of previous years reduce the separate net income of a dependant for the purposes of calculating a rebate under the provisions of section 159J of the *Income Tax Assessment Act 1936*?

1. No.
2. Rebates for dependants are reduced by \$1 for every \$4 by which the separate net income derived by the dependant in the year of income exceeds \$282 [subsection 159J(4)].
3. Taxation Board of Review No. 2 in *Case N49 81 ATC 243; 25 CTBR(NS) Case 3*, decided that when considering a claim for a dependant spouse rebate, losses of previous years were to be disregarded in the calculation of separate net income. The Board referred to the phrase 'year of income' in subsection 159J(4) and limited the computation of separate net income to 'the year of income in issue'.
4. We consider the Board's decision to be relevant to all calculations of dependant rebates. It would also apply to situations where dependant rebate entitlement affects other calculations e.g., rebates for the residents of isolated areas; Medicare levy family income threshold.

Commissioner of Taxation

18/2/93

FOI INDEX DETAIL: Reference No.

Related Determinations:

Related Rulings: CITCM 408, 635

Subject Ref: separate net income; losses of previous years; dependants; concessional rebates; Medicare levy; zone rebates

Legislative Ref: ITAA 79A; ITAA 159J; Medicare Levy Act 1986

Case Ref: Case N49 81 ATC 243; 25 CTBR (NS) Case 3

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