


TD 93/D50 - Income tax: are fees paid by a taxpayer for the electronic lodgment of income tax information deductible as tax-related expenses?

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This document has been finalised by TD 93/63.

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Draft Taxation Determination

Income tax: are fees paid by a taxpayer for the electronic lodgment of income tax information deductible as tax-related expenses?

1. Yes. Section 69 of the *Income Tax Assessment Act 1936* allows a deduction for expenditure in respect of tax-related matters. Tax-related matters include the management or administration of a taxpayer's income tax affairs. The electronic transmission of income tax related information to the Commissioner is such a matter.
2. A registered tax agent who is a participant in the Electronic Lodgment Service (ELS) is able to transmit information relating to a client's income tax affairs to the Commissioner electronically, through either the agent's own ELS facility or through a shared facility. Alternatively, taxpayers themselves may arrange for the electronic transmission of the details of their income tax return to the Commissioner through the "Fast Tax" service offered by Australia Post. The cost of using either of these services will be deductible to the taxpayer under section 69 in the year in which it is incurred.
3. Similarly, the deductibility of a fee paid by a taxpayer for the preparation of a tax return would not be affected by the fact that some part of that fee was attributable to the cost to the tax agent of using these services.

Commissioner of Taxation
04/03/93

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Related Determinations:

Related Rulings:

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