


# ***IT 2052 - Income tax : attendant care projects***

 This cover sheet is provided for information only. It does not form part of *IT 2052 - Income tax : attendant care projects*

This document is no longer current as has been Archived.

There is an Archival notice for this document.

This document has been Withdrawn.

There is a Withdrawal notice for this document.

TAXATION RULING NO. IT 2052

INCOME TAX : ATTENDANT CARE PROJECTS

F.O.I. EMBARGO: May be released

REF

H.O. REF: 4 J 207/205 P5

DATE OF EFFECT:

B.O. REF:

DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:

SUBJECT REFS:

LEGISLAT. REFS:

I 1111489

ASSESSABLE INCOME

25(1)

MEDICAL EXPENSES

159P

PREAMBLE

Advice has recently been sought in relation to the income tax implications for participants in a project to investigate alternative modes of providing attendant care assistance to severely disabled people.

FACTS

2. It is understood that the project will explore the relative merits of an allowance and a service based form of attendant care assistance. There are to be two experimental groups in the project. One group will receive an attendant care service while the other will receive a direct payment to enable the recipients to provide their own attendant care assistance. Steps are to be taken to ensure that the direct payments are only expended on securing the attendant care assistance.

RULING

3. The provision of an attendant care service to the first group would not give rise to any income tax liability. The service is not income in the ordinary sense of the word nor is it made assessable income by any provision of the Income Tax Assessment Act.

4. The direct cash payments to be made to the second group are a different proposition. The receipt of money on a regular basis to help defray living costs is income according to ordinary concepts. Such receipts would give rise to an income tax liability unless they can be regarded as amounts paid to a taxpayer which by virtue of section 159P of the Income Tax Assessment Act, are amounts which reduce the taxpayer's gross medical expenditure for concessional rebate calculation purposes.

5. As far as is relevant section 159P provides that amounts paid by a taxpayer as medical expenses, less any amounts paid to him in respect of those medical expenses by a government, shall be treated as a rebatable amount. The definition of "medical expenses" includes payments as remuneration of a person for services rendered by him as an attendant of a person who is blind or permanently confined to a bed or an invalid chair. To the extent that some of the payments will be made to severely disabled people in circumstances where they will be required to spend the money on "medical expenses" as defined, the payments will be regarded as

amounts which reduce their gross medical expenditure for concessional rebate calculations purposes. In these cases the payments would not be regarded as income liable to tax.

COMMISSIONER OF TAXATION

25 July 1983