


IT 2134 - Income tax : social security beneficiary rebates

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TAXATION RULING NO. IT 2134

INCOME TAX : SOCIAL SECURITY BENEFICIARY REBATES

F.O.I. EMBARGO: May be released

REF

H.O. REF: L82/75

DATE OF EFFECT: Assessments
for the 1984-85 income year.

B.O. REF:

DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:

SUBJECT REFS:

LEGISLAT. REFS:

I 1132024

BENEFICIARY REBATES

160AAA

PREAMBLE

This ruling provides details of the tax rebates that were announced in the 1984-85 Budget and introduced by the Income Tax Assessment Amendment Act (No. 4) 1984 (Act No. 124 of 1984) for social security unemployment, sickness or special beneficiaries.

RULING

2. The new rebates are allowable under section 160AAA of the Income Tax Assessment Act where the assessable income of a taxpayer of a year of income includes an unemployment, sickness or special benefit paid under Part VII of the Social Security Act 1947.

3. Where a taxpayer in receipt of the social security benefit is married (whether legal or de facto) at any time during the year of income, a rebate of \$75 is allowable if his or her taxable income is \$7,989 or less. Generally, it will be accepted that a taxpayer is eligible for this rebate if, at any time during the year of income, he or she is in receipt of a benefit which is paid at the married rate. Where the taxpayer is not married at any time during the year of income, a rebate of \$50 is allowable if his or her taxable income is \$4,783 or less. The rebate shades-out at the rate of 12.5 cents for each \$1 of taxable income in excess of \$7,989 for married taxpayers and \$4,783 for unmarried taxpayers and no rebate is thus available at taxable incomes in excess of \$8,588 and \$5,182 respectively.

4. Section 160AAA continues to allow a rebate of tax of up to \$250 for taxpayers in receipt of an Australian social security or repatriation pension that is subject to tax in Australia. Where a taxpayer is entitled in his or her assessment in respect of income of a year of income to this rebate and one of the new beneficiary rebates, he or she will only receive the benefit of the greater rebate.

5. The beneficiary rebates apply to assessments in respect of the 1984-85 and all subsequent years of income.

COMMISSIONER OF TAXATION

6 February 1985

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