IT 2347 - Income tax : deductions : expenses incurred by officers of cadets in the performance of their duties

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TAXATION RULING NO. IT 2347

INCOME TAX : DEDUCTIONS : EXPENSES INCURRED BY OFFICERS OF CADETS IN THE PERFORMANCE OF THEIR DUTIES

F.O.I. EMBARGO: May be released

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REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1209925	CADET OFFICERS - EXPENDITURE INCURRED BY OFFICERS	25(1) 51(1)

PREAMBLE Military cadet units have operated in Australia for many years. Authority for their establishment and operation may be found in the various Acts and Regulations relating to the defence forces. Cadet units, particularly army units, have been based to a large extent in schools, officers and cadets being drawn from teachers and students at the particular schools. Alongside the school units community based units were in operation. Support by way of finance, uniforms, equipment, etc. was drawn principally from Government funding through various defence allocations.

2. From July 1984 defence support for cadet units was changed, principally in relation to school based army cadet units. Presently the position is as follows:

(i) The Australian Cadet Corps. The Corps is made up of two categories of units, i.e., cadet units receiving Full Army Support (FSU) and cadet units receiving Limited Army Support (LSU). Both categories are registered with the Army and officers and cadets wear uniforms.

FSU units are either community based or school based. They are school based where the school is in a disadvantaged area. Officers are paid allowances from defence allocations and are supplied with uniforms and equipment. Travel expenses of the officers are met in some circumstances.

LSU units are school based in areas which are not classified as disadvantaged. Officers generally come from the staff at the particular school. They do not receive allowances from defence allocations nor are uniforms and equipment supplied. Travelling allowances are not paid.

(ii) Naval Reserve Cadets. These units are registered with

the Navy and may be either community based or school based. Officers in both are paid allowances from defence allocations and are supplied with necessary equipment and a basic uniform. Officers' travel expenses are paid where travel is related to Naval business.

(iii) The Air Training Corps. The Corps is organised on much the same lines as the Naval Reserve Cadets. Units may be community or school based. Officers similarly receive allowances and are supplied with uniforms and equipment. Travel expenses are paid when the travel is a service requirement.

RULING 3. Allowances received by officers in units of the Australian Cadet Corps FSU, the Naval Reserve Cadets and The Air Training Corps are assessable income under sub-section 25(1) of the Income Tax Assessment Act.

4. Although the officers are provided with uniforms and equipment they may be obliged to incur a range of expenses in the performance of their duties as officers. Examples of such expenses include:

(a) maintenance of uniforms,

(b) postage and telephone calls,

(c) stationery items,

(d) training aids,

(e) unreimbursed travel expenses,

(f) additional uniform expenses, e.g., mess dress, tropical dress and protective clothing.

5. Subject to substantiation rules applying from 1 July 1986 expenditure incurred by cadet officers on the above items is allowable as an income tax deduction under sub-section 51(1).

6. Although officers in units of The Australian Cadet Corps LSU do not receive any allowance their expenditures incurred in carrying out their duties as officers can be related to their duties as teachers in their particular schools. As presently advised, there are some 550 cadet officers in the LSU category. Cadet activities are offered, in some cases, as an alternative to sport and in many cases these activities are carried out during school hours. In these circumstances cadet training is considered to be part of the school curriculum.

7. Subject to substantiation rules applying from 1 July 1986, Cadet officers in units of The Australian Cadet Corps LSU may be allowed income tax deductions under sub-section 51(1) for expenditures listed in paragraph 4 above.

COMMISSIONER OF TAXATION
4 August 1986

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