



MT 2017 - Bank account debits tax : support groups for schools, colleges or universities

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 This document has changed over time. This is a consolidated version of the ruling which was published on *24 June 1986*

TAXATION RULING NO. MT 2017

BANK ACCOUNT DEBITS TAX : SUPPORT GROUPS FOR SCHOOLS,
COLLEGES OR UNIVERSITIES

F.O.I. EMBARGO: May be released

REF

H.O. REF: 85/6990-8

DATE OF EFFECT:

B.O. REF: Bris R 6819

DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1209266	BANK ACCOUNT DEBITS TAX SUPPORT GROUPS FOR EXEMPT ORGANISATIONS	BANK ACCOUNT DEBITS TAX ADMINISTRATION ACT 1982; SECTIONS 3 & 11

OTHER RULINGS ON TOPIC MT 2002

PREAMBLE

This office recently had occasion to consider the liability to bank account debits tax of debits to a bank account operated by a sub-committee of the Parents and Citizens' Associations of two schools. The two schools are a school for the visually handicapped and a school for the deaf. The sub-committee was established to raise funds for, or otherwise support and maintain, a lodge for the deaf and visually handicapped children.

2. The particular point at issue was whether debits made to the bank account are "excluded debits" within the meaning of the Bank Account Debits Tax Administration Act 1982. Section 11 of the Act provides for the issue of certificates of exemption from bank account debits tax in respect of bank accounts of institutions or organisations where the Commissioner of Taxation is satisfied that debits to the accounts are "excluded debits" as defined in sub-section 3(1) of the Act.

3. By virtue of sub-paragraph (a)(vi) of the definition of "excluded debit", debits made to the bank account of a non-profit school, college or university are exempt from the tax. Sub-paragraph (a)(via) of the definition of "excluded debit" exempts debits made to the account of a society, institution or organisation that has been established and is carried on wholly and exclusively for raising money for, or otherwise promoting the interests of, a specified university, college or school that is exempt under sub-paragraph (a)(vi).

RULING

4. The use of the expression "specified" in sub-paragraph (a)(via) reflects the intention of the Government to restrict the exemption provided by the sub-paragraph to bodies which are actively engaged in assisting particular universities, etc. in contrast to bodies which may seek to promote the interest of universities, etc. in a more general way. The Explanatory Memorandum to the Bank Accounts Tax Administration Amendment

Bill 1984 indicates the exemption provided by sub-paragraph (a) (via) will not extend to "umbrella" support groups. The distinction is, for example, between a Parents and Citizens' Association of a particular school and a State Council of Parents and Citizens' Associations. The former would qualify for exemption under sub-paragraph (a) (via), the latter would not.

5. The particular sub-committee to which this Ruling relates was not of the type which was specifically intended to be excluded from exemption under sub-paragraph (a) (via). The sole question remaining, therefore, was whether the terms of sub-paragraph (a) (via) restricted exemption to a body which provided the requisite assistance to only one university, etc. or whether the terms were sufficiently wide for exemption to be available to a body which provided the requisite assistance to more than one university, etc.

6. Section 23 of the Acts Interpretation Act 1901 provides that, unless the contrary intention appears in any Act, words in the singular shall include the plural and words in the plural shall include the singular. In the light of the legislative intention behind the use of the word "specified" in sub-paragraph (a) (via) it is reasonable to say that the sub-paragraph does not reflect a contrary intention to which section 23 of the Acts Interpretation Act refers. The particular expression in sub-paragraph (a) (via) is directed to a different situation.

7. In the result it was concluded that the sub-committee comprising the members of the two Parents and Citizens' Associations is an organisation established exclusively for the purpose of raising money for, or promoting the interests of, a specified school or institution, namely the deaf and visually handicapped children's school lodge. Debits made to the account kept by the sub-committee are "excluded debits" within the meaning of sub-paragraph (a) (via) and are exempt from bank account debits tax. This Ruling should be followed in comparable cases.

COMMISSIONER OF TAXATION
24 June 1986