




PS LA 2002/6 - The Australian Zone list

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PS LA 2002/6

The Australian Zone list

This Law Administration Practice Statement provides guidance on the use and maintenance of the Australian Zone List.

This practice statement is an internal ATO document, and is an instruction to ATO staff.

Taxpayers can rely on this practice statement to provide them with protection from interest and penalties in the following way. If a statement turns out to be incorrect and taxpayers underpay their tax as a result, they will not have to pay a penalty. Nor will they have to pay interest on the underpayment provided they reasonably relied on this practice statement in good faith. However, even if they don't have to pay a penalty or interest, taxpayers will have to pay the correct amount of tax provided the time limits under the law allow it.

1. Use of the Australian Zone List

If you are considering a taxpayer's entitlement to the zone tax offset, you must use and follow the Australian Zone List (the List). The List ensures that we make consistent decisions about entitlements to the zone tax offset.

However, the List is not exhaustive, and there is a continuous need to review and revise the List.

If you identify any potential deficiencies or errors in the List, you must escalate a proposal around the deficiency or error.

- supporting evidence, including copies of relevant maps marked with practicable routes and an explanation as to why any shorter route is not a practicable route,
- obtain approval from a senior technical officer, and
- forward the recommendation to Small Business/Individual Taxpayers, Law Interpretation and Advice, PAYGI, New Measures and Priority Issues, Case Leadership, and Strategy and Engagement, for approval by an EL 2 officer.

2. The escalation process

The following sets out the process to follow when escalating a proposal:

- prepare a recommendation, which should include:
 - an analysis of the relevant issues, in particular the application of subsection 79A(3D) of the *Income Tax Assessment Act 1936* (ITAA 1936), guided by Taxation Ruling TR 94/27 *Income tax: zone rebate for residents of isolated areas*, and

3. Implications of a change to the List

Provided a taxpayer claims a zone tax offset in accordance with the List, as it was at the time of the claim, you should not reduce their claim if the List is subsequently changed.

However, you are able to amend the taxpayer's assessment to increase the zone tax offset if a change to the List provides the grounds to do so.

4. More information

The Australian Zone List is published on our external website. See:

- [Zone tax offsets](#)

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