


***TGD 93/5 - Training guarantee: if an employer incurs eligible training expenditure in excess of their minimum training requirement in a particular year, can it be offset against the following year's training obligation?***

 This cover sheet is provided for information only. It does not form part of *TGD 93/5 - Training guarantee: if an employer incurs eligible training expenditure in excess of their minimum training requirement in a particular year, can it be offset against the following year's training obligation?*

This document has been Withdrawn.  
There is a [Withdrawal notice](#) for this document.

This Determination is not a 'public ruling' in terms of Part IVAAA of the Taxation Administration Act 1953. Training Guarantee Determinations do not have the force of law. Each decision made by the Australian Taxation Office is made on the merits of each individual case having regard to any relevant Determination or Ruling.

## Training Guarantee Determination

**Training guarantee: if an employer incurs eligible training expenditure in excess of their minimum training requirement in a particular year, can it be offset against the following year's training obligation?**

1. No. Net eligible training expenditure of an employer under subsection 24(1) of the *Training Guarantee (Administration) Act 1990* (the TGAA), is the total eligible training expenditure incurred by the employer within the financial year ending 30 June, less total training subsidies and reimbursements received during the same year. Eligible training expenditure incurred in one financial year can not be carried forward to meet training guarantee requirements of the next financial year.
  
2. The only exception is capital expenditure on plant and equipment acquired solely or principally for use in eligible training. Subsection 26(2) of the TGAA allows employers the option of claiming the whole of the expenditure in the year in which it was incurred; or spreading the eligible training expenditure over the expected useful life of the equipment. This will be an amount equivalent to that which can be claimed as an income tax deduction under the depreciation provisions contained in subsection 54(1) of the *Income Tax Assessment Act, 1936*.

*Examples:*

*MC Pty Ltd, a computer software manufacturer, incurs \$350 on an eligible training program for three new staff to improve their computer awareness skills. The training is conducted in October 1992. The cost of \$350 will form part of MC Pty Ltd's total eligible training expenditure for the 1992/93 year.*

*The same day MC Pty Ltd spends \$1400 on an overhead projector, purchased solely or principally for use in their specially designated training room. MC Pty Ltd have the option in this situation to either treat the full amount of \$1400 as eligible training expenditure in the 1992/93 year, or alternatively, spread the eligible training expenditure over the expected useful life of the overhead projector (ie, expected useful life estimated to be 7 years, therefore  $\$1400/7 = \$200$  per year).*

**Commissioner of Taxation**

25/2/93

FOI INDEX DETAIL: Reference No. I 1214228 Previously issued as Draft TGD 92/D5

Related Determinations:

Related Rulings:

Subject Ref: capital expenditure, eligible training expenditure, minimum training requirement,

Legislative Ref: TGAA 24 & 25

Case Ref:

ATO Ref: ALB/TG/TGR 2