


TD 93/154 - Income tax: is the expenditure incurred by an employee on an employer's range of brand name conventional clothing or footwear, which is required to be worn as a condition of employment, an allowable deduction under subsection 51(1) of the Income Tax Assessment Act 1936 ?

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 This document has changed over time. This is a consolidated version of the ruling which was published on 12 August 1993



This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Taxation Determination

Income tax: is the expenditure incurred by an employee on an employer's range of brand name conventional clothing or footwear, which is required to be worn as a condition of employment, an allowable deduction under subsection 51(1) of the *Income Tax Assessment Act 1936* ?

1. No. Although a taxpayer may be required to purchase and wear a certain brand or type of conventional clothing or footwear at the direction of the employer, it does not detract from the character of the garments or footwear as conventional attire. Expenditure on this attire is generally not incurred in gaining or producing assessable income and is of a private nature and precluded from deduction under subsection 51(1). It does not fall for consideration under section 51AL because it is not in respect of a corporate wardrobe or uniform.

Example:

A sales assistant employed in a retail clothing store has purchased her employer's brand of conventional clothing to the value of \$200. The sales assistant is required by her employer to wear combinations of the conventional clothing during different periods of her employment as a sales assistant.

Although the employee is required to purchase and wear a certain brand of clothing at the direction of her employer in the course of her employment, the expenditure is private in nature and precluded from a deduction under subsection 51(1).

Commissioner of Taxation

12/8/93

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Related Determinations: TD 92/157; TD 93/101; TD 93/109, TD 93/110, TD 93/111, TD 93/121

Related Rulings:

Subject Ref: clothing; footwear; retail trade

Legislative Ref: ITAA 51(1); 51AL

Case Ref:

ATO Ref: NEW TD33