



TD 93/155 - Income tax: is a salaried trade union official who pays a compulsory weekly levy to general fund for the election of union officials entitled to a 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 a salaried trade union official who pays a compulsory weekly levy to general fund for the election of union officials entitled to a deduction under subsection 51(1) of the *Income Tax Assessment Act 1936*?

1 No. If a salaried, elected trade union official pays into a general fund for the election of union officials, the expense is not incurred in gaining the official's assessable income but is incurred to assist in obtaining future employment for the official and others. We consider that this is a private outgoing.

2 An employee must incur an outgoing in the course of earning his or her wages for a deduction to be allowed under subsection 51(1). The compulsory nature of the levies is not relevant. What is important is the connection between the payment of the levy and the activities by which the assessable income of the employee is produced.

Example:

John Smith is elected as an official of the XYZ Union at a salary of \$20,000 annually. His success at future elections determines the period of his employment. It is a condition of his employment that he contribute \$20 each week to an election fund for the financing of present or future election campaigns of XYZ union officials generally. John Smith is not entitled to a deduction under subsection 51(1) for the amount contributed to the election fund.

Commissioner of Taxation

12/8/93

FOI INDEX DETAIL: Reference No. I 1215847

Previously issued as Draft TD 93/D153

Related Determinations:

Related Rulings: 298; IT 299 ; IT 2331 ; IT 298

Subject Ref: compulsory levy; election expenses; levy; trade association; union official

Legislative Ref: ITAA 51(1)

Case Ref:

ATO Ref: NOR J36/355/9

ISSN 1038 - 8982