

TD 93/195A1 - Addendum - Income tax: to what extent is a registration fee for a Continuing Professional Development (CPD) seminar deductible if a part of the fee represents the cost of food and drink to be provided as part of the seminar?

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Addendum

Taxation Determination

Income tax: to what extent is a registration fee for a Continuing Professional Development (CPD) seminar deductible if a part of the fee represents the cost of food and drink to be provided as part of the seminar?

This Addendum amends Taxation Determination TD 93/195 to reflect the changes to the law caused by the repeal of inoperative provisions.

TD 93/195 is amended as follows:

1. Paragraph 1

- (a) Omit 'subsection 51(1) of the *Income Tax Assessment Act 1936*'; substitute 'section 8-1 of the *Income Tax Assessment Act 1997* (ITAA 1997)¹.'
- (b) Omit 'section 51AE'; substitute 'Division 32'.

2. Paragraph 1(a)

- (a) Omit 'food and drink'; substitute 'food, drink or recreation'.
- (b) Omit 'subsection 51AE(3)'; substitute 'section 32-10'.

3. Paragraph 1(b)

Omit the paragraph; substitute:

- (b) if the food and drink does amount to entertainment but the CPD seminar is a seminar as defined in section 32-65 and the seminar expenses exception in section 32-35 applies, the registration fee is deductible in full. Section 32-35 includes the requirement that the food and drink provided is 'reasonably incidental' to a participant's attendance at the seminar. 'Reasonably incidental' is not defined. Food and drink is reasonably incidental to a CPD seminar if it:
 - (i) is provided for sustenance because of the duration, time of day or location of the seminar;

¹ All subsequent legislative references are to the ITAA 1997 unless indicated otherwise.

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- (ii) is provided immediately before, during or immediately following sessions of the seminar; and
- (iii) is available to all seminar participants.

4. Paragraph 1(c)

Omit 'CPD seminar is not an eligible seminar'; substitute 'seminar expenses exception in section 32-35 does not apply (because, for example, the seminar is a business meeting)'.

5. Paragraph 2: questions 1, 2 and 3

Omit 's51(1)' wherever occurring; substitute 'section 8-1'.

6. Paragraph 2: question 4

- (a) Omit 'Is seminar an eligible seminar?'; substitute 'Is there a seminar (as defined in section 32-65)?'
- (b) Omit 's51AE'; substitute 'Division 32'.

7. Paragraph 2: question 5

- (a) Omit 'Is food and drink reasonably incidental to seminar?'; substitute 'Does seminar satisfy the exception in 32-35?'.
- (b) Omit 's.51AE'; substitute 'Division 32'.

8. Paragraph 2: final answer

Omit 's51AE'; substitute 'Division 32'.

9. Examples: bracketed paragraph

Omit '\$40'; substitute with '\$50'.

10. Examples: paragraph 2

- (a) Omit 'Satisfy s51(1)'; substitute 'Does expense satisfy s8-1'.
- (b) Omit 'Food & Drink'; substitute 'Is food & drink included'.
- (c) Omit 'Eligible seminar'; substitute 'Is a seminar as defined'.
- (d) Omit 'No' in column 4; substitute 'Yes'.
- (e) Omit 'Reasonably Incidental'; substitute 'Is the s32-35 exception satisfied'.
- (f) Omit 'Not applicable' in column 4; substitute 'No (seminar only 3 hours)'.
- (g) Omit s51; substitute s8-1.
- (h) Omit 's51AE' wherever occurring; substitute 'Division 32'.

11. Legislative References

Omit the references; substitute:

- ITAA 1997 section 8-1
- ITAA 1997 Division 32
- ITAA 1997 section 32-10
- ITAA 1997 section 32-35
- ITAA 1997 section 32-65

This Addendum applies on and from 14 September 2006

Commissioner of Taxation

24 April 2013

ATO references

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ATOlaw topic: Income Tax ~~ Deductions ~~ substantiation
Fringe Benefits Tax ~~ Meal entertainment