


TR 1999/10A - Addendum - Income tax and fringe benefits tax: Members of Parliament - allowances, reimbursements, donations and gifts, benefits, deductions and recoupments

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Addendum

Taxation Ruling

Income tax and fringe benefits tax: Members of Parliament – allowances, reimbursements, donations and gifts, benefits, deductions and recoupments

This Addendum amends Taxation Ruling TR 1999/10 to correct the ruling in regard to the treatment of benefits provided to the spouse of a deceased employee. The fringe benefits tax system does not apply to benefits provided to relatives of deceased employees. This Addendum applies to years of income commencing both before and after its date of issue. The ruling is amended as follows:

1. Paragraph 22

After 'a Severance Pass', insert 'which may entitle the holder of the pass and his or her spouse to travel benefits'

2. Paragraph 23

Omit the paragraph; and substitute:

23. We consider that the issuing of a Life Gold Pass or Severance Pass has no income taxation implications. The value of travel benefits received through the use of these passes does not form part of either a Member's or a Member's spouse's assessable income. However, travel benefits received from the use of a Life Gold Pass or Severance Pass are residual fringe benefits and the provider of the pass may be subject to fringe benefits tax when the passes are used for travel (paragraphs 84 to 88).

3. Paragraph 87

- a) Omit 'or by a widow or widower of a Member who dies in office but who would have qualified for a Gold pass at the time of his or her death,'
- b) After 'provider of the pass.', insert 'However, where such benefits are provided to the widow or widower of the Member, they are not subject to FBT.'

4. Paragraph 88

Omit the paragraph; and substitute

88. Under subsection 6-15(2) of the ITAA 1997 the value of these travel benefits do not form part of the Member's or the Member's spouse's assessable income as they will be exempt income by virtue of section 23L of the ITAA 1936 and section 11-10 of the ITAA 1997.

Commissioner of Taxation

18 December 2002

ATO References

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