



Addendum: Income tax: employee shop assistants - allowances, reimbursements and work-related deductions

*This Addendum forms part of the Ruling and, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the **Taxation Administration Act 1953**, it is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Ruling is a public ruling and how it is binding on the Commissioner.*

Taxation Ruling TR 95/10 is amended as follows:

1. **Paragraph 29**

Omit from the subparagraph entitled ***Clothing, uniforms and footwear*** 'A deduction is not allowable for the cost of stockings (including support hose) (paragraphs 73 to 77).'; substitute:

'Expenditure on shoes, socks and stockings may give rise to a deduction where they form an integral part of a compulsory and distinctive uniform, the components of which are set out by the employer in its expressed uniform policy or guidelines. The employer's uniform policy or guidelines should stipulate the characteristics of the shoes, socks and stockings that qualify them as being a distinctive part of the compulsory uniform, e.g., colour, style, type, etc. The wearing of the uniform must also be strictly and consistently enforced with breaches of the uniform policy giving rise to disciplinary action. These latter factors reflect the fact that image is of critical importance to the particular employer (paragraph 58A; also see Taxation Ruling TR 96/16).'

2. After paragraph 58

Insert:

'58A. Expenditure on shoes, socks and stockings is essentially of a private nature and, even when these items are worn at the request of the employer, their cost will only be deductible in limited circumstances. To qualify for deduction, the items must firstly form an integral part of a distinctive and compulsory uniform the components of which are set out by the employer in its expressed uniform policy or guidelines (see paragraphs 56 and 57). In addition, the employer's uniform policy or guidelines should stipulate the characteristics of the shoes, socks and stockings that qualify them as being a distinctive part of the compulsory uniform, e.g., colour, style, type, etc. The wearing of the uniform must also be strictly and consistently enforced, with breaches of the uniform policy giving rise to disciplinary action. It is only in strict compulsory uniform regimes that expenditure on shoes, socks and stockings is likely to be regarded as work-related rather than private in nature (see Taxation Ruling TR 96/16).'

3. Paragraph 73

Omit the paragraph, substitute:

'73. The cost of stockings will only be deductible in limited circumstances. These circumstances are described in paragraph 58A (also see Taxation Ruling TR 96/16).'

4. Paragraph 74

Omit the paragraph.

Commissioner of Taxation

5 June 1996

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