

GOVERNMENT EXTENDS TAX DEDUCTIBLE DONATION SUPPORT TO ALL VOLUNTEER BUSHFIRE BRIGADES

The Assistant Treasurer, Senator Nick Sherry, has today announced the Government will change the tax law to help volunteer bushfire brigades attract more donations.

"The Rudd Government will extend tax deductible donation support to all volunteer bushfire brigades," the Assistant Treasurer said.

"The memorial services earlier this month on the anniversary of the tragic Victorian bushfires highlighted the professionalism, selflessness and bravery of volunteer fire-fighters."

"Australia's volunteer fire-fighters perform an essential community service and they deserve all the help they can get to attract donations vital to their existence."

"There are more than 6,000 volunteer brigades in Australia – but less than a third can access tax deductible donations and that eligibility has recently come under question."

The volunteer fire brigades currently holding tax deductible status are considered public benevolent institutions (PBIs), that is, they are considered not-for-profit institutions organised for the direct relief of poverty, sickness, suffering, distress, misfortune, disability or helplessness.

Recent legal cases have led the Commissioner of Taxation to consider that volunteer brigades do not meet the strict PBI criteria.

"The Rudd Government will act to ensure not only those fire brigades that already access deductible donations remain capable of receiving tax deductible support, but we'll also extend such support to all volunteer bushfire brigades," said the Assistant Treasurer.

"Because of their outstanding community contribution, we believe volunteer fire brigades should be able to access support by tax deductible donations, so we are developing an alternative solution which will now benefit all 6,200 volunteer brigades."

The Government will immediately begin a process of consultation with the States and Territories on the best mechanism for extending deductible gift recipient (DGR) support to all brigades in a way that is consistent across jurisdictions and minimises overall administrative burden.

The removal of PBI status will not affect the tax status of the Country Fire Authority and Brigades Donation Funds nor the volunteer fire coordinating bodies, which are listed by name in the *Income Tax Assessment Act 1997* as DGRs.

CANBERRA
28 February 2010