

AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT SCHOOLS

PRESS RELEASE 460

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SECTARIAN SCHOOLS BEWARE:

THE TAX MAN COMETH

TAX EXEMPTIONS FOR SCHOOL OR COLLEGE BUILDING FUNDS UNDER REVIEW

In their High Court Case in 1981 DOGS provided evidence of entanglement of religion with the State which contravened Section 116 of the Constitution. This evidence included the use of school buildings subsidised by taxpayers for religious services. Since the High Court read Section 116 down and out of the Constitution, the use of taxpayer subsidised school buildings for blatantly religious purposes has expanded. The Australian Tax Office is restive. Not before time.

The ATO is proposing changes to be introduced to the requirements for a school or college building fund to be endorsed as a **Deductible Gift Recipient**.

On 5 December 2011, The Australian Taxation Office (**ATO**) released a proposal which changes the circumstances within which a School or College Building Fund may be established and maintained to enable an effective tax deduction to be given to donors to the fund.

Draft Taxation Ruling

[TR2011/D5](#) addresses important questions about when buildings can be used for purposes other than the purposes of the School or College and still enable the School or College Building Fund to give a valid tax deduction. It also explains the position in relation to buildings

commissioned under the Building Education Revolution (**BER**) and the BER's requirement that certain buildings built within the BER be made available for community use.

The draft ruling clarifies whether the community use of school libraries and school multi-purpose halls under the BER is to be considered likely to interfere with the conduct of the School, in which case it would cause the College or School Building Fund to be disqualified from Deductible Gift Recipient (**DGR**) status by the ATO. The draft ruling changes the test that is currently applicable regarding the issue of when buildings can be used for other purposes to allow the fund to remain a DGR.

DOGS note that the obvious answer to the taxation problem is to make taxpayer funded buildings public property, owned, controlled, and provided by the state for secular purposes alone.

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THE DOGS RADIO PROGRAM

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855 ON THE AM DIAL

12.00 NOON SATURDAYS