



19 July 2017

Ms Tanja Cvijanovic
Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
One National Circuit
BARTON ACT 2600

Email: helpdesk-obpr@pmc.gov.au

Dear Ms Cvijanovic

OBPR ID 21798: SUNSETTING OF APPROVED OCCUPATIONAL CLOTHING GUIDELINES

I am writing to the Office of Best Practice Regulation (OBPR) regarding the legislative instrument –*Approved Occupational Clothing Guidelines* - made under Division 34 of the *Income Tax Assessment Act 1997* (ITAA 1997), which is scheduled to sunset on 1 October 2017.

The clothing guidelines and the uniform design registration requirements in the tax law were announced in the 1992-93 Budget to address the concern that individuals might claim deductions for non-compulsory uniform expenses where the clothing was not clearly identifiable as a corporate wardrobe. For an employee to claim a tax deduction for an expense associated with their non-compulsory uniform, the expense claim must firstly meet the general deduction rules of the income tax laws and secondly, the uniform design must be entered on the Register of Approved Occupational Clothing. Approval for a design application can only be granted if the design meets the criteria set out in the guidelines.

The Department of the Treasury certifies that the legislative instrument is operating effectively and efficiently and therefore, in accordance with OBPR's Guidance Note for Sunsetting Legislative Instruments, a Regulation Impact Statement is not required for the legislative instrument to be remade.

The assessment that the legislative instrument is operating effectively and efficiently has been informed by a review of the clothing guidelines and the requirements in Division 34 of the ITAA. Treasury issued a public consultation paper for comment between 18 November 2016 and 16 December 2016. The paper included discussion of the costs and benefits of a range of options. There were a small number of submissions received in response to the consultation paper, with no consensus view. Having reviewed the guidelines and uniform design registration requirements and considered the feedback on the consultation paper, the Minister has decided to remake the existing guidelines with no changes.

I acknowledge that OBPR will publish this letter for transparency purposes.

If you have any queries about this matter, please contact Bede Fraser on +61 2 6263 3555.

Yours sincerely

Maryanne Mrakovcic
Deputy Secretary
Revenue Group