

# Tax and Football Referees

---

The status of referee payments in the income tax system seems to be a perennial problem. What follows is general advice. If you want more definitive advice, please consult your financial advisor or the Australian Taxation Office (ATO).

The issue with referee payments is whether they are to be classed as assessable income or whether they are the proceeds of a hobby. If they are the result of a hobby then the income is not taxable and expenses cannot be claimed against this income.

For football referees in Tasmania, there is no definitive answer about the status of referee payments. In other parts of Australia, various bodies have sought rulings from the ATO on the status of these payments. The ATO have consistently ruled that referee or umpire payments are the result of a hobby and so are not taxable income. These rulings carry with them the decision that expenditure on refereeing expenses cannot be claimed as a tax deduction.

However, this does not stop referees in Tasmania declaring their income from refereeing and claiming deductions. Until there is a specific class ruling about payments to Football referees in Tasmania, each referee can make up his own mind and either declare or not declare his refereeing income. Each referee should get their own advice from a qualified taxation consultation or from the ATO.

Depending on their decision, referees may

- 1) supply Football Federation Tasmania with a Employment Declaration form and request them to deduct tax from their payments and then declare referee income and expenses in their annual return. FFT will provide these referees with a Statement of Earnings.
- 2) keep their own records of payments from FFT and declare these and expenses on their annual return
- 3) Not declare the refereeing income and not claim any expenses.

As I understand the position at the moment, FFT cannot refuse to deduct PAYE tax from a referee's payment if the referee provides an Employment Declaration, but FFT are not obliged to deduct tax if not requested to do so.

The tax status of referee payments does not change the employment relationship between referees and FFT. As referees work under a contract of service to FFT, they are classed as workers for the purposes of the Workers Rehabilitation and Compensation Act, 1988, is concerned.