

FARMERS for FARMERS

Disclosure Document

This document is provided following your willingness to support the work of ALWS in relation to our 'Farmers for Farmers' program. We greatly appreciate your support in this way.

We have provided this document to assist you in considering the taxation consequences of your donation of grain to ALWS via the National Grower Register System. This document does not constitute personal taxation or financial advice as it is not provided to you specifically or with reference to your individual circumstances. This document has nevertheless been professionally prepared for ALWS.

Is your donation of grain to ALWS tax deductible?

This is a common question as, on the face of it, your donation of real produce via NGR has similar characteristics to a financial contribution. It certainly provides an economic benefit to needy farmers and families in the form of foreign aid.

Your donation of grain via NGR however does **not** constitute a tax deductible donation in the Australian taxation system. This is because you have donated your produce and thereby forfeited assessable income. This has the same effect as having sold your product (assessable income) and then given a financial gift to ALWS (tax deduction).

Accordingly, there is no need or capacity for us to provide you with a tax deductible receipt.

Are there any other taxation consequences I should consider?

You need to consider the impact of your gift of grain in relation to your own taxation affairs. Where the level of production gifted in a certain period is material it may be necessary to consider whether all expenditure incurred in relation to producing the gift of grain should be claimed as a tax deduction in that year.

Section 8.1 (1)(b) of the **Income Tax Assessment Act 1997** – states that “you can deduct from your assessable income any loss or outgoing to the extent that it is necessarily incurred in carrying on a business [for the purpose](#) of gaining or producing assessable income.”

We encourage you to seek your own taxation advice in relation to the impact of your gift of grain in relation to your own financial affairs.

Thanks so much for having the vision of being part of Farmers for Farmers.