

Advanced Income Tax Law

Chapter 8

Special Professionals

Overview

An averaging scheme applies to prevent certain taxpayers ("eligible persons") from being pushed into a higher tax bracket when their income from eligible sources in a given year fluctuates above their average income from those sources.

e.g. primary producers

Note: A taxpayer must be a **natural person** to be eligible for the averaging scheme.

Classes of Special Professionals

s.405-25 defines classes of special professionals who are eligible for the averaging scheme.



Performers



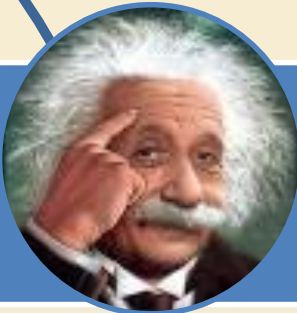
Writers, composers, authors



Sportspersons

Classes of Special Professionals

s.405-25 defines classes of special professionals who are eligible for the averaging scheme.



Inventors



**Art directors, costume designers,
choreographers, film editors**

Exclusions from Averaging

s.405-30 lists activities that do not result in a taxpayer being treated as a special professional.



Coaching, training sporting competitors



Umpires/referees



Member of a pit crew in motor sport



Owning or training animals



Sports administrators



Theatrical or sports entrepreneurs

Assessable Professional Income

s.405-20 defines assessable professional income as:

- assessable income derived in relation to activity as a special professional.
- Prizes and rewards in respect of activity as a special professional.
- fees from endorsements, interviews, commentary, advertisement appearances, promotions which relate to activity as a special professional.

Assessable Professional Income

Conditional availability

A taxpayer is not classified as a special professional purely by engaging in a profession listed under s.405-30(1) if there is a *substantial continuity* in the rendering of those services by the taxpayer to another person.