

# Rural and Regional Enterprise Scholarships Program

## Payments you receive – what you need to know

This fact sheet provides guidance on the taxation implications for students commencing study in the 2018 or 2019 academic years who are in receipt of a scholarship made under the Rural and Regional Enterprise Scholarships Program Guidelines.

The intention of the program is to improve access to and completion of STEM (Science, Technology, Engineering and Mathematics) tertiary education courses for students from regional or remote areas in Australia.

This fact sheet does not cover the tax implications for employment income, Government assistance payments, other scholarships you receive whilst participating in the program or any payments you receive from the internship host.

## Your scholarship payments

As a scholarship recipient you may receive total payments up to \$18,000 based on your course length and type of study. A further \$500 is available to support an internship.

For a scholarship to be exempt from income tax:

- you must be a full-time student at a school, college or university (eligible providers)
- there must not be any condition that you are, or will be, an employee or enter into any contract that is wholly or principally for labour; and
- the scholarship must be provided principally for education purposes.

## Is your scholarship taxable?

Your scholarship payments are:

- taxable if you are a part-time student. You have to include the amount in your income tax return as income.
- not taxable if you are a full-time student. You don't have to include the amount in your income tax return.

## Will tax be withheld?

- If you are a part-time student tax will be withheld.
- If you are a full-time student, no tax will be withheld.

If amounts have been withheld you should receive a *PAYG payment summary – individual non-business* form at the end of the financial year detailing all amounts paid and withheld. Use this information when completing your tax return.

## If you need more information

For general information, visit [Australian Taxation Office](#) [Is my scholarship taxable?](#)

If you wish to discuss your circumstances, call 13 28 61.

For a call back from an ATO officer, email [TaxAdvice@ato.gov.au](mailto:TaxAdvice@ato.gov.au)

### Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake trying to follow our information in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest. If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

This publication was current at December 2017.

© Australian Taxation Office for the Commonwealth of Australia.

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).

Published by:  
Australian Taxation Office  
Canberra



**Australian Government**  
**Australian Taxation Office**