

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Taxation Determination

Income tax: insurance: in the calculation of the amount deductible for the general management expenses of a life assurance company, should assessable income and total income for subsection 113(2) purposes include amounts that relate to the conduct of general insurance business?

1. Yes. In the calculation of the amounts that are deductible under subsection 113(2), the amounts to be taken into account in the formula assessable income over total income should include the assessable income and total income 'of the company.' Accordingly if a life assurance company also conducts general insurance business (or any other business), providing that it carries on the principal business of life assurance, assessable income and total income in the formula for subsection 113(2) purposes must include the income from all sources, that is, from each business.

Commissioner of Taxation
27/1/94

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Subject Ref: Australian life assurance companies, general management expenses, total income formula.

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