



Notice of Withdrawal

Draft Taxation Ruling

Petroleum resource rent tax: general pre-conditions common to deductibility of expenditure of a kind referred to in sections 37, 38 and 39 of the *Petroleum Resource Rent Tax Assessment Act 1987*

Draft Taxation Ruling TR 2010/D4 is withdrawn with effect from today.

1. This draft Ruling explains aspects of deductibility of certain expenditure under the *Petroleum Resource Rent Tax Assessment Act 1987* (PRRTAA). It explains three general pre-conditions which are prerequisite to any expenditure being eligible real expenditure for the purposes of the PRRTAA. Expenditure cannot give rise to deductible expenditure for the purposes of section 32 of the PRRTAA, or to transferred expenditure taken into account in working out liability to the tax, if it does not meet all three pre-conditions. Expenditure which satisfies all three pre-conditions must also meet other legislative requirements to be deductible expenditure or transferred expenditure.
2. The draft Ruling is withdrawn as a consequence of the Full Federal Court decision in *Esso Australia Resources Pty Ltd v. Commissioner of Taxation* [2012] FCAFC 5. For details of the Commissioner's approach to administering the law as a consequence of that decision, refer to the [Decision Impact Statement](#).
3. In addition, the Commissioner proposes to issue advice by way of a public ruling on the implications of the Full Federal Court decision and is also considering what advice or guidance (if any) to provide on other matters covered in the draft Ruling, but not covered by the decision.

Commissioner of Taxation
5 October 2012

ATO references

NO: 1-46Z3708
ISSN: 1039-0731
ATOlaw topic: Petroleum Resource Rent Tax