Notice of Withdrawal

Draft Taxation Ruling

Petroleum resource rent tax: excluded expenditure under paragraphs 44(j) and 44(k) of the *Petroleum Resource Rent Tax Assessment Act 1987* - administrative, accounting, wages, salary, other work costs, and overhead expenditure; land or buildings for use in accounting or administration not adjacent to the operations site

Draft Taxation Ruling TR 2010/D5 is withdrawn with effect from today.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). Expenditure incurred by a person may be eligible real expenditure under sections 37, 38 and 39 of the PRRTAA provided it is not excluded expenditure as defined in section 44 of the PRRTAA. Excluded expenditure under paragraphs 44(j) and 44(k) of the PRRTAA covers certain types of administrative, accounting and overhead expenditure and is considered in this draft Ruling. Excluded expenditure cannot give rise to deductible expenditure or transferred expenditure, which reduces assessable receipts in calculating the taxable profit of a taxpayer for a year of tax in relation to a petroleum project and so the amount of petroleum resource rent tax.

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 The draft Ruling is withdrawn as a consequence of the Full Federal Court decision in *Esso Australia Resources Pty Ltd v. Commissioner of Taxation* [2012] FCAFC 5.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

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