


***TD 92/D213 - Income tax: is a taxpayer who has purchased stolen property for use as income-producing plant entitled to deductions for depreciation and for loss on disposal when the plant is repossessed?***

 This cover sheet is provided for information only. It does not form part of *TD 92/D213 - Income tax: is a taxpayer who has purchased stolen property for use as income-producing plant entitled to deductions for depreciation and for loss on disposal when the plant is repossessed?*

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Draft Taxation Determinations (TDs) represent the preliminary, though considered, views of the ATO. Draft TDs may not be relied on; only final TDs are authoritative statements of the ATO.

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## Draft Taxation Determination

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**Income tax: is a taxpayer who has purchased stolen property for use as income-producing plant entitled to deductions for depreciation and for loss on disposal when the plant is repossessed?**

1. No. Deductions for depreciation and loss on disposal of the plant are not allowable.
2. Section 54 allows a deduction for depreciation only if the taxpayer owns the plant. Although the property is in the taxpayer's possession, the owner of the property is the person from whom it was stolen.
3. Section 59 cannot apply to allow a balancing charge deduction if section 54 does not apply to allow a deduction for depreciation of the plant.

**Commissioner of Taxation**  
12/11/92

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FOI INDEX DETAIL: Reference No.

Subject Ref: depreciation; theft; plant; balancing charge

Legislative Ref: ITAA 54; ITAA 59

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