


TD 94/D4 - Income tax: when does the 10 year exemption period commence in relation to direct or indirect infrastructure borrowings under Division 16L of Part III of the Income Tax Assessment Act 1936 ?

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This document has been finalised by TD 94/51.

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Draft Taxation Determination

Income tax: when does the 10 year exemption period commence in relation to direct or indirect infrastructure borrowings under Division 16L of Part III of the *Income Tax Assessment Act 1936*?

The exemption period commences at the time of the borrowing. The time of the borrowing is when the lender borrower relationship is created, that is when the agreement is entered into - not when the funds are used.

Example

On 1 July a company enters into a loan agreement to obtain funds over a two year construction period. The borrowed funds are to be spent on a qualifying infrastructure facility. The exemption period commences on 1 July.

Commissioner of Taxation

13/1/94

FOI INDEX DETAIL: Reference No.

Related Determinations:

Related Rulings:

Subject Ref: exemption period; infrastructure borrowings

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