


***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.

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: 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

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FOI INDEX DETAIL: Reference No.

Related Determinations:

Related Rulings:

Subject Ref: exemption period; infrastructure borrowings

Legislative Ref: ITAA 159GZZZU

Case Ref:

ATO Ref: Public Infrastructure Unit DTD/12

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