

# ***IT 1A - Second Addendum - Taxation Ruling System: explanation and status***

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# TAXATION RULING NO. 1

(Note: This Ruling is sometimes referred to as Taxation Ruling IT 1)

## ADDENDUM NO.2

F.O.I. embargo: may be released

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1. This Addendum introduces an enhancement of the Taxation Rulings system which is designed to assist users of IT and MT series Rulings to quickly ascertain the current status of a particular Ruling.

2. Before 8 July 1993 changes to Rulings have occurred by:

- (a) the issue of Addenda or Errata; or
- (b) the issue of a subsequent Ruling which expressly or implicitly overrides the earlier Ruling.

Obviously, the task of ascertaining the current status of a Ruling is made difficult if there is an inconsistency with a later Ruling which, by implication, supersedes the earlier Ruling.

3. Rulings may also become redundant as a consequence of:

- (a) legislative changes or decisions of the Courts or Administrative Appeals Tribunal which affect the law on which the Ruling is based; or
- (b) changes in commercial practice or in administrative policy, practice or procedure,

thus altering the interpretation or administration of taxation law.

4. An Addendum or Erratum will continue to be used if an existing current Ruling is to be modified to a relatively minor extent.

### **Notice of Withdrawal**

5. A Notice of Withdrawal will now be issued if a Ruling, or some distinct part of it, has been replaced by a subsequent Ruling, or is otherwise considered incorrect. The Notice will state the extent to which the Ruling is withdrawn.

6. The time at which a Ruling ceases to have effect will be expressly stated in the Notice of Withdrawal. This may be the date of issue of a replacement Ruling, or the date from which the application of the Ruling was discontinued.

# **TAXATION RULING NO. 1**

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7. The withdrawal of a Ruling will generally have a prospective effect, that is, from the date the withdrawal is publicised. There may be occasions where a change in the interpretation or application of the law generally operates in favour of taxpayers in which case the change may be applied retrospectively (see paragraph 7 of Taxation Ruling IT2500). Further guidelines on the timing of the operation of Rulings are contained in Taxation Ruling TR 92/20 - guidelines on the use of date of effect paragraphs in Taxation Rulings and Taxation Determinations.

### **Notice of Archival**

8. A Notice of Archival will now be issued if a Ruling has been made redundant by legislative change. A Notice of Archival recognises that the Ruling continued to apply until the statutory provisions on which it was based ceased to operate. The Ruling may contain principles which are relevant in other contexts.

9. The Notice of Archival will contain details of the timing of the repeal or discontinuance of the relevant statutory provisions.

### **Issue of Notices of Withdrawal and Notices of Archival**

10. To assist users of Rulings to identify current guidelines in a particular area of taxation law it is desirable that the 'withdrawn' or 'archived' status of a Ruling be documented as soon as practicable after the attribution to the Ruling of either status is identified.

11. For those Rulings to which a 'withdrawn' or 'archived' status has been attributed prior to the issue of this Addendum, the Notices of Withdrawal and Notices of Archival will be issued in the course of the Review of Taxation Rulings issued before 1 July 1992.

12. Notices of Withdrawal and Notices of Archival will supplement the original Ruling document in the same way as an Addendum or Erratum.

COMMISSIONER OF TAXATION

8 July 1993

ISSN 0813 - 3662