


IT 2216 - Income tax: depreciation : investment allowance - demountable shearing stand

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TAXATION RULING NO. IT 2216

INCOME TAX: DEPRECIATION : INVESTMENT ALLOWANCE -
DEMOUNTABLE SHEARING STAND

F.O.I. EMBARGO: May be released

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F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1199696	DEPRECIATION	54
	INVESTMENT ALLOWANCE	82AA

PREAMBLE Advice has been sought on whether a demountable shearing stand erected in shearing sheds constitutes plant for income tax purposes. The stand, which is mostly wooden, is packaged in kit form and may be assembled in one day and dismantled in approximately one-half of a day. It is free-standing and self-supporting and does not require attachment to the shearing shed structure. Removal of the stand may be by either disassembly or by being placed on a truck or trailer.

RULING 2. In view of the use to which the stand is put, its portability, and the fact that it does not form part of the building, it is accepted that the stand qualifies as plant for the purposes of section 54. Furthermore, where a stand was purchased before 1 July 1985 the expenditure would qualify for the investment allowance available under the income tax law provided of course the other requirements for eligibility are satisfied. A prime cost rate of depreciation of 10% per annum has been fixed under sub-section 55(1).

COMMISSIONER OF TAXATION
20 November 1985

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