


IT 2220 - Income tax: leveraged lease transactions

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passed on to the lessee, the additional lease rentals that would have been necessary to provide the lessor partnership with the same after tax yield or rate of return would be sufficient to place the partnership in an overall tax positive position. A statement to this effect should be included in the first return of a lessor partnership. The statement should be in addition to and in the same format as the statement required by paragraph 3(f) at page 8 in Taxation Ruling No. IT 2051.

6. Leveraged lease transactions involving investment allowance deductions and structured on either of the bases outlined in this ruling would comply with the criteria in Taxation Ruling No. IT 2051 and would not, on that account alone, attract the operation of Part IVA of the Income Tax Assessment Act.

COMMISSIONER OF TAXATION
22 November 1985