IT 233 - Contract broiler growers - business of primary production

There is an <u>Addendum notice</u> for this document.

TAXATION RULING NO. IT 233

CONTRACT BROILER GROWERS - BUSINESS OF PRIMARY
PRODUCTION

F.O.I. EMBARGO: May be released

REF   H.O. REF: J.315/1 P8 F203   DATE OF EFFECT:

B.O. REF: DATE ORIG. MEMO ISSUED: 04.06.71

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1102697	BROILER GROWERS	6(1)
	CONTRACTERS	54
	PRIMARY PRODUCTION -	57AA
	DEFINITION	62AB
		DIV 16

PREAMBLE   The following ruling issued as a result of a review of the position regarding whether or not contract broiler growers should be regarded as carrying on a business of primary production.

2.   It had been advised earlier that contract broiler growers should not be regarded as carrying on a business of primary production nor should they be treated as entitled to the special depreciation deductions available to taxpayers who carry on agricultural or pastoral pursuits.

RULING   3.   These questions have been reconsidered in the light of additional information which has since become available and it has been decided that, while the matter is not free from doubt, contract broiler growers should now be accepted as carrying on a business of primary production. This ruling should be followed irrespective of whether the day old chicks remain the property of the poultry processor or are purchased by the broiler grower from a hatchery.

4.   Deductions in respect of plant and structural improvements should also be allowed in accordance with the provisions of section 54 and 57AA. Similarly, deductions should be allowed under section 62AB in respect of new plant which satisfies the requirements of that section.

COMMISSIONER OF TAXATION