


IT 2357 - Income tax : special area for zone allowance purposes

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TAXATION RULING NO. IT 2357

INCOME TAX : SPECIAL AREA FOR ZONE ALLOWANCE PURPOSES

F.O.I. EMBARGO: May be released

REF

H.O. REF: 86/3801-2

DATE OF EFFECT:

B.O. REF:

DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:

SUB REFS:

LEGISLAT. REF:

I 1210093

79A

79A(3D)

79A(4)

OTHER RULING ON TOPIC IT 259, IT 343

FACTS

Taxation Ruling No. IT 259 sets out guidelines for determining whether a particular location is a special area within either Zone A or Zone B within the meaning of sub-section 79A(3D) of the Income Tax Assessment Act. A location is a special area within a Zone if it is in excess of 250 kilometres by the shortest practicable surface route from the centre of the nearest population centre of 2500 or more.

2. The question has arisen whether the Olympic Dam mining project in South Australia is within a special area within Zone B.

3. The mining project has moved into the construction phase and presently there are approximately 300 people living at the mining site in temporary accommodation (eg. tents, caravans). The initial stage of the project includes construction of a new town of Roxby Downs, approximately 13.8 kilometres from the mining site. Construction of the town is expected to be completed within two or three years. Most of the mine workers will live in the town. It is not intended that any people will live at the mine site. It is expected that the current population of 300 will increase steadily during the construction phase and that the population of the new town of Roxby Downs will stabilize at around 3000.

4. At present there is not any town with a population in excess of 2500 which is less than 250 kilometres from the Olympic Dam mining site or the site of the proposed town of Roxby Downs. The nearest town with a population over 2500 is Port Augusta which is more than 250 kilometres away.

RULING

5. The Olympic Dam mining site and the new town of Roxby Downs are currently special areas within Zone B. In the event that the population of the new town of Roxby Downs increases beyond 2500 or more it will become necessary to review this Ruling.

COMMISSIONER OF TAXATION

25 August 1986