


IT 2366 - Income tax: taxation (unpaid company tax): waiver of vendor recoupment tax where amount is less than \$100

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TAXATION RULING NO. IT 2366

TAXATION (UNPAID COMPANY TAX) : WAIVER OF VENDOR
RECOUPMENT TAX WHERE AMOUNT IS LESS THAN \$100.

F.O.I. EMBARGO: May be released

REF H.O. REF: 84/3870-6 DATE OF EFFECT:
B.O. REF: DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1209077	T(UCT) RECOUPMENT TAX LEGISLATION PUBLIC COMPANY VENDOR SHAREHOLDERS	T(UCT)AA 5(4) T(UCT)AA 6(18)

PREAMBLE Sub-sections 5(4) and 6(18) of the Taxation (Unpaid Company Tax) Assessment Act 1982 set out conditions under which the Commissioner can grant relief from an amount of recoupment tax. Under paragraphs (b) of those sub-sections, where a primary or secondary taxable amount would otherwise exist in relation to a person and the taxable amount is less than \$100, the Commissioner may determine that the taxable amount shall not be taken to exist.

2. In Taxation Ruling IT 2063 it was advised where, at either the primary or secondary level, there would exist in relation to a person only the one taxable amount (the amount that represents the persons's share of unpaid company tax payable under a particular assessment against a stripped company) and that amount is less than \$100, complete relief from recoupment tax is to be granted. Where, in relation to a person's shareholding in a public company, there would be a number of taxable amounts involving one or more subsidiaries, and those amounts in the aggregate do not exceed \$100, complete relief is also to be granted.

RULING 3. It has been decided to extend the relief provided for in sub-sections 5(4) and 6(18) in respect of any taxable amount under \$100 that would otherwise exist in relation to a person's share of the unpaid tax of a stripped company. This means that relief will now be granted from each taxable amount less than \$100 at either the primary or secondary level, irrespective of the aggregate of taxable amounts in relation to a person and irrespective of the status (public/private) of the holding company.

COMMISSIONER OF TAXATION
25 September 1986