


IT 2407 - Income tax: depreciation of distance measuring devices

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TAXATION RULING NO. IT 2407

INCOME TAX : DEPRECIATION OF DISTANCE MEASURING DEVICES

F.O.I. EMBARGO: May be released

REF

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REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1218528	DEPRECIATION	54(1)
	DISTANCE	57AG
	MEASURING DEVICES	57AL

FACTS

The Federal interstate registration scheme which is administered by the Federal Department of Transport provides for the central registration of vehicles solely engaged in interstate transport operations. The scheme requires owners of registered vehicles to pay registration charges either by way of a flat annual charge or on the basis of the actual distance travelled by the vehicle. If an owner elects to pay registration charges on the basis of actual distance travelled the installation of an approved distance measuring device on to the vehicle is required. The devices must be approved by the Federal Minister for Transport.

RULING

2. For the purposes of sub-section 54(1) of the Income Tax Assessment Act a distance measuring device is considered to form part of the vehicle to which it is attached. This means that the cost of a device, including installation costs, is added to the cost of the vehicle for depreciation purposes and depreciated at the rate applicable to the vehicle.

COMMISSIONER OF TAXATION
11 June 1987