



PR 1999/8 - Income tax: Australian Hardwood Management Project No 2

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 This document has changed over time. This is a consolidated version of the ruling which was published on *19 February 2001*



Product Ruling

Income tax: Australian Hardwood Management Project No 2

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Preamble

*The number, subject heading, and the **What this Product Ruling is about** (including **Tax law(s)**, **Class of persons** and **Qualifications** sections), **Date of effect**, **Withdrawal**, **Arrangement** and **Ruling** parts of this document are a 'public ruling' in terms of Part IVAAA of the Taxation Administration Act 1953. Product Ruling PR 98/1 explains Product Rulings and Taxation Rulings TR 92/1 and TR 97/16 together explain when a Ruling is a public ruling and how it is binding on the Commissioner.*

[Note: This is a consolidated version of this document. Refer to the Tax Office Legal Database (<http://law.ato.gov.au>) to check its currency and to view the details of all changes.]

What this Product Ruling is about

1. This Ruling sets out the Commissioner's opinion on the way in which the 'tax law(s)' identified below apply to the defined class of persons, who take part in the arrangement to which this Ruling relates. In this Ruling this arrangement is sometimes referred to as the Australian Hardwood Management Project No 2, or just simply as 'the Project', or the 'product'.

Tax law(s)

2. The tax law(s) dealt with in this Ruling are:

- section 8-1 of the *Income Tax Assessment Act 1997* (ITAA 1997);
- sections 82KL and 82 KZM of the *Income Tax Assessment Act 1936* (ITAA 1936);
- Part IVA of the ITAA 1936.

Class of persons

3. The class of persons to whom this Ruling applies is those who enter into the arrangement described below on or after the date this

Ruling is made. They will have a purpose of staying in the arrangement until it is completed (i.e., being a party to the relevant agreements until their term expires), and deriving assessable income from this involvement as set out in the description of the arrangement. In this Ruling those persons are referred to as 'Growers'.

4. The class of persons to whom this Ruling applies does not include persons who intend to terminate their involvement in the arrangement prior to its completion, or who otherwise do not intend to derive assessable income from it.

Qualifications

5. The Ruling provides this specified class of persons with a binding ruling as to the tax consequences of this product. The Commissioner accepts no responsibility in relation to the commercial viability of this product, and gives no assurance the prices charged for the product are reasonable, appropriate, or represent industry norms. A financial (or other) adviser should be consulted for such information.

6. The Commissioner rules on the precise arrangement identified in the Ruling.

7. The class of persons defined in the Ruling may rely on its contents, provided the arrangement (described below at paragraphs 12 to 31) is carried out in accordance with details described in the Ruling. If the arrangement described in the Ruling is materially different from the arrangement that is actually carried out:

- the Ruling has no binding effect on the Commissioner, as the arrangement entered into is not the arrangement ruled upon; and
- the Ruling will be withdrawn or modified.

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Date of effect

9. This Ruling applies prospectively from 3 March 1999, the date this Ruling is made. However, the Ruling does not apply to taxpayers

to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of issue of the Ruling (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

10. If a taxpayer has a more favourable private ruling (which is legally binding), the taxpayer can rely on the private ruling if the income year to which the private ruling relates has ended, or has commenced but not yet ended. However, if the arrangement covered by the private ruling has not begun to be carried out, and the income year to which it relates has not yet commenced, the product ruling applies to the taxpayer to the extent of the inconsistency only (see Taxation Determination TD 93/34).

Withdrawal

11. This Product Ruling is withdrawn and ceases to have effect on 30 June 2002. The Ruling continues to apply, in respect of the tax law(s) ruled upon, to all persons within the specified class who enter into the specified arrangement during the term of the Ruling. Thus, the Ruling continues to apply to those persons, even following its withdrawal, for arrangements entered into prior to withdrawal of the Ruling. This is subject to there being no change in the arrangement or in the persons' involvement in the arrangement.

Arrangement

12. The arrangement that is the subject of this Ruling is described below. This description is based on the following documents. These documents, or relevant parts of them, as the case may be, form part of and are to be read with this description. The relevant documents or parts of documents incorporated into this description of the arrangement are:

- Draft Prospectus prepared for Australian Hardwood Management Project No 2;
- Draft copy of a Managed Investment Scheme Constitution between Australian Hardwood Management Limited ('AHML') and Australian Rural Investments Limited ('ARIL') and the Grower, which also incorporates a Management Agreement between AHML, ARIL and the Grower;
- Licence Agreement between ARIL and the Grower;
- Draft copy of Application for shares in ARIL;

- Draft copy of Application for Finance, Principal and Interest Loan;
- Draft copy of Loan Deed between Australian Hardwood Finance Pty Limited and the Borrower;
- Product Ruling request dated 24 December 1999; and
- correspondence from Australian Hardwood Management Project No 2 dated 29 January and 3 February 1999.

Note: Certain information received from Australian Hardwood Management Limited has been provided on a commercial-in-confidence basis and will not be disclosed or released under Freedom of Information legislation.

The effect of each of these agreements is summarised as follows.

13. This arrangement is called the Australian Hardwood Management Project No 2 and will be registered as a Managed Investment Scheme under the Corporations Law. A Grower entering into the Project will obtain a licence over a certain area of land ('a Woodlot') from ARIL in Victoria, in an area known as the 'Green Triangle Region'. A Grower will also enter into a Management Agreement with AHML to have *Eucalyptus globulus* (Blue Gums) planted on this land for the purpose of eventual felling and sale in approximately ten years. A Grower or its nominee also has the option to acquire shares in ARIL.

14. Each Woodlot comprises one hectare of land. The minimum investment offered to each Grower is one Woodlot. There is no minimum number of Woodlots being offered by this Project. The trees will be planted in the first 13 months following execution of the Licence Agreement and Management Agreement. Possible projected returns depend on a range of assumptions and AHML does not give any assurance or guarantee whatsoever in respect of the future success of or financial returns associated with entering into the Licence Agreement and Management Agreement being offered pursuant to the Draft Prospectus. Each Woodlot being 1 hectare is anticipated to produce 300 to 350 cubic metres of harvestable timber. A Grower could expect to achieve compound after tax returns of between 12% and 17%.

Constitution, Management Agreement and Licence Agreement

15. In respect of the Project, a Grower has an interest in specific property comprising the Managed Investment Scheme property that is defined in the Constitution. Growers contract with AHML to establish and maintain the plantation until maturity. Growers execute a power of attorney enabling AHML to act on their behalf as required.

16. Growers do not have any right to withdraw from the Scheme nor do they have a right to require their interest in the Scheme to be bought by the Manager or any other person or to have their interest in the Scheme redeemed (clause 11 of the Constitution). A Grower's / Member's Scheme interest may be transferred provided such transfer is a transfer of the entire unencumbered interest in the Scheme comprising the Management Agreement and Licence Agreement (clause 16 of the Constitution). AHML keeps a register of Growers.

17. The Growers will remain Scheme members until the Scheme is determined on 30 June 2020, unless it is wound up earlier (clause 7 of the Constitution).

18. The Grower's business of planting and growing trees will be undertaken by the Grower's manager and agent, being AHML (clause 3 of the Management Agreement). Growers may elect to harvest and sell their own timber produce or, failing such action, AHML will sell the timber produce on behalf of the Growers for the best possible commercial price (clause 7 of the Management Agreement). The first harvest or rotation is anticipated to take place within ten years from planting of the seedlings and the second harvest or rotation within a further period of nine years.

19. After the first rotation date, AHML will continue to manage and maintain the regrowth of the trees, if Growers do not decide under the hardship provisions not to proceed. The Growers will share in the profits from such regrowth (the 'coppice') resulting from the second harvest, if they proceed. There is no potential for Growers to terminate their involvement prior to the end of the first harvest period other than in a transfer of their interest in the Scheme assets mentioned above.

20. Under the Licence Agreement, a Grower obtains a licence over a certain area of land, a Woodlot, to carry on its business for a term up to 30 June 2020.

21. The amounts and charges payable as management fees and licence fees are:

- a. Year 1 Management Fee - \$3,700 per Woodlot;
- b. Year 2 Management Fee - \$120 per Woodlot; and
- c. Year 3 and Subsequent Year's Management Fee up to and including the first rotation date or 30 June 2011, whichever is first applicable - \$120 per annum plus an annual increment comprising the Consumer Price Index Sydney (All Groups) per Woodlot;
- d. if the Grower does not terminate the Management Agreement due to hardship, then for the first year

commencing on the first rotation date, the sum of \$3,000 to cover coppice re-establishment.

- e. to be decided by the Grower prior to the first anniversary of the first rotation date either a management fee equal to:
 - i. if the Management Agreement is not terminated due to hardship, then for the 2nd and subsequent years after the first rotation date, on the 1st and each subsequent anniversary of the first rotation date thereafter, the amount of \$120 per annum plus an increment equal to the percentage in the CPI Sydney (All Groups) between December 1999 and the quarter immediately prior to the relevant date for the payment of the said annual payment or, if the index ceases to exist, a similar replacement, per Woodlot; or
 - ii. 20% of the net harvest (stumpage) revenue from the second rotation or harvest, deducted when the revenue is received;
- f. the licence fees are calculated on the basis of \$300 per Woodlot each year, including the first year, until the end of the Project relevant to the Grower's interest, being \$300 indexed by the CPI Sydney (All Groups) for the second year onwards; and
- g. in addition, a management bonus fee of 25% of the excess returns above and beyond the Prospectus forecast of 300 green metric tonnes per hectare at first harvest, and 270 green metric tonnes per hectare at second harvest payable to the Manager out of the Gross Income earned by the Growers at the time of the harvests.

22. Forecast expenditure in the Prospectus indicates that, of the total management fees and licence fees of \$4,000 in respect of the first year of the Project, the 'Manager's profit' is expected to be \$580 (this has been calculated on the basis of 1,000 Woodlot applications being accepted).

23. AHML considers the fees payable above are in accordance with industry norm.

24. At the request of a Grower, AHML will arrange insurance of the trees planted on the Woodlot(s) against fire, storm, tempest and other risks at the cost to the Grower.

Manager's services

25. The services to be provided by AHML to the Grower are specifically set out in the Management Agreement and they include:

- a. purchasing *eucalyptus globulus* tree seedlings and planting them on the land;
- b. cultivating, maintaining, fertilising, watering, spraying, pruning, thinning out and doing all other things necessary to the trees to produce mature trees suitable for woodchipping;
- c. keeping down and exterminating upon the land all vermin and animal pests, insects and noxious plants and weeds, and complying with all laws and regulations with respect to the keeping down and exterminating of the same;
- d. effecting the insurances referred to in the Management Agreement;
- e. employing such staff and labour as are necessary for the aforesaid purposes including, without limitation, engaging the services of such consulting experts as may be necessary to assist the Manager in providing expert advice and assistance with respect to the growing of the trees;
- f. providing adequate security for the land including, without limitation, constructing and maintaining security fences to keep out intruders and employing security services;
- g. performing any of the duties of the Manager as required under the Management Agreement and the Scheme Constitution;
- h. doing all other things that are necessary or incidental to the carrying out of the growers' business to produce a viable business of growing of *eucalyptus globulus* trees for woodchipping or other suitable purposes; and
- i. performing any of the aforesaid activities in relation to any other agricultural products that the Growers may agree to carry out upon the land at any time.

26. The Growers' business will comprise the initial work necessary to be undertaken by AHML to plant an area of land per Woodlot comprising one hectare with *eucalyptus globulus* trees during the first 13 month period. This will require the Manager undertaking the activities of deep ripping the land, mound ploughing and weed control. The land does not need to be cleared or levelled as it is

already cleared farming land that has undergone many improvements during the years prior to its proposed use in the Project, including regular fertiliser applications by the Landowner.

27. The Manager, after undertaking the above actions in respect of the land and having acquired the seedlings, will contract with an expert seedling planter who will plant the relevant land with the seedlings at the expense of the Manager. The Manager will then undertake the necessary services during the first year to ensure the seedlings are cared for in accordance with good silvicultural practice to enable them to grow into trees. During the years up to the first rotation date, the Manager must on a regular basis undertake all services to ensure the trees grow to their maximum green metric tonnes. The Manager will then ensure harvesting of the trees and sale of the product as detailed in the Draft Prospectus and Agreements.

28. The total afforestation activities will be substantial and will be undertaken in a businesslike manner by the Manager on a regular basis for and on behalf of the Growers and as the Growers' Manager.

Finance

29. A finance option is offered by Australian Hardwood Finance Pty Limited, a company associated with AHML, to fund the first year management fee of \$3,700 per Woodlot. The effective interest rate is 3.78%. Security is to be enforced over the Grower's interest in the Project, i.e., the Woodlots and the entitlement to harvest proceeds. The loan is repayable by 12 monthly instalments of \$320, which also includes the payment of interest of \$11.66 per month or \$140 in total.

30. The finance is provided as a full recourse loan and Australian Hardwood Finance Pty Limited will pursue legal action against outstanding borrowers.

Shareholding

31. Growers or their nominee/s also have the opportunity to subscribe for shares in ARIL, the Landowner in the Project. The minimum investment offered is 3,000 shares for \$1.00 each totalling \$3,000, which equals the value of 1 net hectare of land. This offer of investment in ARIL is optional and will not affect a Grower's interest in a Woodlot.

Ruling

Section 8-1

32. For the year ending 30 June 1999 and 30 June 2000, section 8-1 of the ITAA 1997 will apply to Growers entering into this Project as follows:

- a. the licence fee and management fee totalling \$4,000 per Woodlot incurred by a Grower on execution of the Licence and Management Agreements on or before 30 June 1999 or 30 June 2000, as the case may be, will be an allowable deduction in the year of income that the fees are incurred;
- b. where a Grower borrows funds in order to fund its obligation to pay the management fees and incurs interest on such borrowing on or before 30 June 1999 or 30 June 2000, as the case may be, that interest will be an allowable deduction in the year of income that the interest is incurred; and
- c. for the year ending 30 June 2000 and subsequent years of income, section 8-1 of the ITAA 1997 will apply to Growers in the Project as follows:
 - i. the annual licence fee of \$300 (or indexed if applicable) and annual management fee of \$120 (or indexed if applicable) or the alternative management fee calculated as 20% of the net harvest (stumpage) revenue from the second rotation or harvest, deducted when the revenue is received, per Woodlot, incurred by a Grower will be an allowable deduction in the year incurred;
 - ii. the coppice re-establishment fee of \$3,500 per Woodlot to be incurred by a Grower for the first year commencing on the first rotation date will be an allowable deduction in the year incurred;
 - iii. the management bonus fee to be incurred by a Grower (in respect of excess returns beyond forecasted results in the Draft Prospectus) will be an allowable deduction in the year incurred;
 - iv. where a Grower borrowed funds in order to fund its obligation to pay management fees and incurs interest on such borrowing, that interest will be an allowable deduction; and
 - v. any premiums incurred by a Grower in respect of insurance against fire, storm, tempest or other

risks will be an allowable deduction in the year incurred.

Division 35 – Deferral of losses from non-commercial business activities

Section 35-55 – Commissioner’s discretion

32.1 For a Grower who is an individual and who entered the Project on or after 3 March 1999 and prior to any withdrawal of this Product Ruling the rule in section 35-10 may apply to the business activity comprised by their involvement in this Project. Under paragraph 35-55(1)(b) the Commissioner has decided for the income years ended 30 June 2001 to 30 June 2008 that the rule in section 35-10 does not apply to this business activity provided that the Project has been, and continues to be carried on in a manner that is not materially different to the arrangement described in this Ruling.

32.2 This exercise of the discretion in subsection 35-55(1) will not be required where, for any year in question:

- a Grower’s business activity satisfies one of the objective tests in sections 35-30, 35-35, 35-40 or 35-45; or
- the ‘Exception’ in subsection 35-10(4) applies.

32.3 Where, either the Grower’s business activity satisfies one of the objective tests, the discretion in subsection 35-55(1) is exercised, or the Exception in subsection 35-10(4) applies, section 35-10 will not apply. This means that a Grower will not be required to defer any excess of deductions attributable to their business activity in excess of any assessable income from that activity, i.e., any ‘loss’ from that activity, to a later year. Instead, this ‘loss’ can be offset against other assessable income for the year in which it arises.

32.4 Growers are reminded of the important statement made on Page 1 of this Product Ruling. Therefore, Growers should not see the Commissioner’s decision to exercise the discretion in paragraph 35-55(1)(b) as an indication that the Tax Office sanctions or guarantees the Project or the product to be a commercially viable investment. An assessment of the Project or the product from such a perspective has not been made.

Section 82KZM

33. The expenditure by Growers does not fall within the scope of section 82KZM of the ITAA 1936.

Section 82KL

34. Section 82KL of ITAA 1936 does not apply to deny the deductions otherwise allowable under section 8-1 of the ITAA 1997.

Part IVA

35. Part IVA of ITAA 1936 does not apply to deny deductions for the expenditure by Growers or interest on any loans taken out to fund payment of their expenditure.

Explanations**Section 8-1**

36. Consideration of whether licence and management fees are deductible under section 8-1 begins with the first limb of the section. This view proceeds on the following basis:

- the outgoings in question must have a sufficient connection with the operations or activities that directly gain or produce the taxpayer's assessable income;
- the outgoings are not deductible under the second limb if they are incurred when the business has not commenced; and
- where all that happens in a year of income is a taxpayer contractually commits himself to a venture that may not turn out to be a business, there can be doubt about whether the relevant business has commenced, and hence, whether the second limb applies. However, that does not preclude the application of the first limb and determining whether the outgoings in question have a sufficient connection with activities to produce assessable income.

37. An afforestation scheme can constitute the carrying on of a business. Where there is a business, or a future business, the gross sale proceeds from the timber's sale from the Scheme will constitute gross assessable income in their own right. The generation of 'business income' from such a business, or future business, provides the backdrop against which to judge whether the outgoings in question have the requisite connection with the operations that more directly gain or produce this income. These operations will be the planting, tending, maintaining and harvesting of the trees.

38. Generally, an investor will be carrying on a business of afforestation where:

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- the investor has an identifiable interest in specific growing trees coupled with a right to harvest and sell the timber;
- the afforestation activities are carried out on the investor's behalf; and
- the weight and influence of the general indicators of a business as used by the Courts point to the carrying on of a business.

39. For this Project Growers have, under the Licence and Management Agreements, rights in the form of a licence to use an identifiable area of land consistent with the intention to carry on a business of growing trees. Under the Management Agreement, Growers appoint AHML as Manager, to provide services such as planting, cultivating, tending, culling, pruning, fertilising, replanting, spraying, maintaining and otherwise caring for the trees. Growers control their investment. The specific cost of these services provided in the first thirteen months, together with the cost of obtaining a licence to use the relevant land, will total \$4,000. Growers may either collect the forest produce and arrange for its sale, or they have the option of AHML arranging marketing and sale.

40. The Licence and Management Agreements give Growers more than a chattel interest in the timber on harvest. The Project documentation contemplates Growers will have an ongoing interest in the growing trees - the trees are the Growers' property and Growers have a legal interest in and licence to occupy the Woodlot(s) applied for.

41. Growers have the right to use the land in question for afforestation purposes and to have AHML come onto the land to carry out its obligations under the Management Agreement. The Growers' degree of control over AHML, as evidenced by the Constitution of the Project being a Managed Investment Scheme that also incorporates the Licence and Management Agreements, and supplemented by the Corporations Law, is sufficient. Under the Project, Growers are entitled to receive regular progress reports on AHML's activities. Growers are able to terminate arrangements with AHML in certain instances, such as cases of default or neglect. The afforestation activities described in the Licence and Management Agreements are carried out on the Grower's behalf.

42. The general indicators of a business, as used by the Courts, are described in Taxation Ruling TR 97/11. Positive findings can be made from the arrangement's description for all the indicators discussed in that Ruling. Growers to whom this Ruling applies intend to derive assessable income from the Project. This intention is related to projections contained in the Draft Prospectus that suggest the

Project should return a 'before tax' profit to the Growers, i.e., a 'profit' in cash terms that does not depend on its calculation on the fees in question being allowed as a deduction.

43. Growers will engage the professional services of a Manager with appropriate credentials. These services are based on accepted silvicultural practices and are of the type ordinarily found in afforestation ventures that would commonly be said to be businesses.

44. There is a means to identify which trees Growers have an interest in. Growers have a continuing interest in the trees from the time they are acquired until both the first and second harvest unless they withdraw from the potential for a second harvest as provided for in the various Agreements. This is only allowed in a case of hardship.

45. The afforestation activities, and hence the fees associated with their procurement, are consistent with an intention to commence regular activities that have an 'air of permanence' about them. The Growers' afforestation activities will constitute the carrying on of a business.

46. The fees associated with the afforestation activities will relate to the gaining of income from this business, and hence have a sufficient connection to the operations by which this income (from the sale of timber) is to be gained from this business. They will thus be deductible under the first limb of section 8-1 of ITAA 1997. Further, no 'non-income producing' purpose in incurring the fee is identifiable from the arrangement. No capital component is identifiable. The tests of deductibility under the first limb of section 8-1 are met. The exclusions do not apply.

Section 82KZM

47. Under the Licence and Management Agreements, the fees totalling \$4,000 per Woodlot will be incurred on execution of those Agreements. The fees are payable by a Grower for services and licence entitlements and access to facilities that are provided within 13 months from the execution of the Agreements.

48. For this Ruling's purposes, no explicit conclusion can be drawn from the arrangement's description, that the fees have been inflated to result in reduced fees being payable for subsequent years. The fees are expressly stated to be for a number of specified services. There is no evidence that might suggest the services covered by the fees could not be provided within 13 months of incurring the expenditure in question. Thus, for the purposes of this Ruling, it can be accepted that no part of the licence fee of \$300 and management fee of \$3,700 is for the doing of things that are not to be wholly done within 13 months of the fees being incurred.

49. On this basis, the basic precondition for section 82KZM's operation is not satisfied and it will not apply to the expenditure incurred by Growers totalling \$4,000 per Woodlot in respect of the year ending 30 June 1999. Similarly, the section will not apply to licence fees and management fees incurred by Growers in subsequent years of income.

Section 82KL

50. Section 82KL's operation depends, among other things, on the identification of a certain quantum of 'additional benefit(s)'. Here, there may be a loan provided by Australian Hardwood Finance Pty Limited to the Grower. The loan is provided on a full recourse basis, and on commercial terms. Insufficient 'additional benefits' will be provided to trigger the application of section 82KL. It will not apply to deny the deductions otherwise allowable under section 8-1 of the ITAA 1997.

Part IVA

51. For Part IVA of ITAA 1936 to apply there must be a 'scheme' (section 177A); a 'tax benefit' (section 177C); and a dominant purpose of entering into the scheme to obtain a tax benefit (section 177D). The Australian Hardwood Management Project No 2 will be a 'scheme' commencing when the Prospectus is issued. The Growers will obtain a 'tax benefit' from entering into the scheme, in the form of the deduction for the amount of \$4,000 representing licence fees and management fees per Woodlot allowable under section 8-1, that would not have been obtained but for the scheme. However, it is not possible to conclude the scheme will be entered into or carried out with the dominant purpose of obtaining this tax benefit.

52. Growers to whom this Ruling applies intend to stay in the scheme for its full term and derive assessable income from the eventual harvesting of the trees. Further, there are no features of the Project, for example, such as the licence fee and management fee totalling \$4,000 being 'excessive' and uncommercial, and predominantly financed by a non-recourse loan, and resulting in insufficient 'real money' coming into the Manager's hands that might suggest the Project was so 'tax driven', and so designed to produce a tax deduction of a certain magnitude that would attract the operation of Part IVA.

Interest deductibility

53. Some Growers intend to finance the payment of the management fee of \$3,700 per Woodlot for the first year through a

loan facility that requires the repayment of principal and payment of interest by 12 equal monthly instalments. Whether the interest is deductible under section 8-1 depends on the same reasoning as that applied to whether the management fee of \$3,700 per Woodlot incurred in the year ending 30 June 1999 or 30 June 2000, as the case may be, will be deductible.

54. The interest incurred in the years ending 30 June 1999, 2000 and 2001, as the case may be, will be in respect of a loan to finance the operations - the tending and maintenance of the trees that will continue to be directly connected with the gaining of 'business income' from the Project. Such interest will thus also have a sufficient connection with the gaining of assessable income. No capital, private or domestic component is identifiable in respect of this interest.

Insurance deductibility

55. Insurance may be arranged to insure the Woodlots against fire, storm, tempest and other risks at the Growers' cost. Any insurance recovery will be assessable. The insurance premiums will thus have a sufficient connection with the gaining of assessable income from the Project. No capital, private or domestic component is identifiable in respect of them.

Detailed contents list

56. Below is a detailed contents list for this Ruling:

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Commissioner of Taxation3 March 1999

Previous draft:

No draft issued

- schemes and shams
- taxation administration
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Related Rulings/Determinations:

PR 98/1; TR 92/1; TR 92/20;
TR 97/11; TR 97/16; TD 93/34;
TR 97/D17

Subject references:

- afforestation expenses
- carrying on a business
- commencement of business
- fee expenses
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- primary production expenses
- producing assessable income
- product rulings
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Legislative references:

- ITAA1936 82KL
- ITAA1936 82KZM
- ITAA1936 Pt IVA
- ITAA1936 177A
- ITAA1936 177C
- ITAA1936 177D
- ITAA1997 8-1
- ITAA1997 Div 35
- ITAA1997 35-10
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- ITAA1997 35-45
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- ITAA1997 35-55(1)(b)
- TAA1953 Pt IVAAA
- Copyright Act 1968

ATO references:

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