



PR 2000/66 - Income tax: Australian Cricket Bat Willow Project 2000

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 This document has changed over time. This is a consolidated version of the ruling which was published on *14 June 2000*



Product Ruling

Income tax: Australian Cricket Bat Willow Project 2000

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Potential investors may wish to refer to the ATO's Internet site at <http://www.ato.gov.au> or contact the ATO directly to confirm the currency of this Product Ruling or any other Product Ruling that the ATO has issued.

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**, **Previous Rulings**, **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 1999/95 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.*

No guarantee of commercial success

The Australian Taxation Office (ATO) **does not** sanction or guarantee this product as an investment. Further, we give no assurance that the product is commercially viable, that charges are reasonable, appropriate or represent industry norms, or that projected returns will be achieved or are reasonably based.

Potential investors must form their own view about the commercial and financial viability of the product. This will involve a consideration of important issues such as whether projected returns are realistic, the 'track record' of the management, the level of fees in comparison to similar products, how the investment fits an existing portfolio, etc. We recommend a financial (or other) adviser be consulted for such information.

This Product Ruling provides certainty for potential investors by confirming that the tax benefits set out below in the **Ruling** part of this document are available, **provided that** the arrangement is carried out in accordance with the information we have been given, and have described below in the **Arrangement** part of this document.

If the arrangement is not carried out as described below, investors lose the protection of this Product Ruling. Potential investors may wish to seek assurances from the promoter that the arrangement will be carried out as described in this Product Ruling.

Potential investors should be aware that the ATO will be undertaking review activities to confirm the arrangement has been implemented as described below and to ensure that the participants in the arrangement include in their income tax returns income derived in those future years.

Terms of Use of this Product Ruling

This Product Ruling has been given on the basis that the person(s) who applied for the Ruling, and their associates, will abide by strict terms of use. Any failure to comply with the terms of use may lead to the withdrawal of this Ruling.

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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 Cricket Bat Willow Project, or just simply as 'the Project'.

Tax law(s)

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

- Section 6-5 of the *Income Tax Assessment Act 1997* ('ITAA 1997');
- section 8-1 (ITAA 1997);
- section 25-25 (ITAA 1997);
- section 27-5 (ITAA 1997);
- section 27-30 (ITAA 1997);
- section 82KL of the *Income Tax Assessment Act 1936* ('ITAA 1936');
- section 82KZM and sections 82KZMB - 82KZMD (ITAA 1936); and
- Part IVA (ITAA 1936).

3. On 11 November 1999, the Government announced further changes to the tax system as part of the New Business Tax System. A number of those changes, particularly those that relate to 'tax shelters', could affect the tax laws dealt with in this Ruling. Some of the changes apply from the date of the announcement and others are proposed to apply from nominated dates in the future.

4. Although this Ruling mentions certain of those announced changes, the information given on the treatment of expenditure which may be affected by them is not binding on the Commissioner. Legally binding advice in respect of those changes cannot be given until the relevant law(s) are enacted.

5. However, if the changes become law the operation of that law will take precedence over the application of this Ruling, and to that extent, this Ruling will be superseded. If requested, when the relevant law(s) are enacted, the Commissioner will formalise the non-binding information shown in this Ruling by issuing a new Product Ruling that describes the operation of those law(s).

Class of persons

6. 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 derive assessable income from this involvement as set out in the description of the arrangement. In this Ruling these persons are referred to as 'Growers'.

7. 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. Neither does it include persons or entities who are associates, as that term is defined in subsection 82KH(1) of the ITAA 1936, of any of the entities involved in the arrangement.

Qualifications

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

9. If the arrangements described in the Ruling are materially different from the arrangements that are actually carried out:

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

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Date of effect

11. This Ruling applies prospectively from **14 June 2000**, the date the 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).

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12. 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, this Ruling applies to the taxpayer to the extent of the inconsistency only (see Taxation Determination TD 93/34).

Withdrawal

13. This Product Ruling is withdrawn and ceases to have effect after 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, who entered into the specified arrangement 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.

Previous Rulings

14. This Ruling replaces Product Ruling PR 1999/74, which is withdrawn on and from the date this Ruling is made. Subject to changes in the law relating to certain prepayments, Product Ruling PR 1999/74 will continue to apply to investors who entered into the Project on or before **14 June 2000**.

Arrangement

15. The arrangement that is the subject of this Ruling is described below. This description incorporates the following documents:

- Application for Product Ruling dated 3 April 2000;
- The Australian Cricket Bat Willow Prospectus 2000, dated 29 March 2000;
- **Constitution** for Australian Cricket Bat Willow Project, dated 3 March 2000;
- The Australian Cricket Bat Willow Project Compliance Plan, dated 3 March 2000;
- Final revised draft of **Plantation Management Agreement** between Grower and Australian Cricket

- Bat Willow Plantation Management Services Ltd ('Project Manager'), undated, received 31 May 2000;
- Final revised draft of **Plantation Lease** between Grower and Project Manager, undated, received on 30 May 2000;
 - Final revised draft of Plantation Services Agreement (Stage 2) between Project Manager and Murray Valley Nurseries Pty Ltd, undated, received 30 May 2000;
 - Draft **Loan Agreement** between Grower and Australian Plantation Finance Pty Ltd, undated, received 6 April 2000;
 - Head Lease (Wood Wood property) between Australian Willow Plantation Pty Ltd and registered proprietors, dated 12 June 1998;
 - Amended Head Lease (Koraleigh Property) between Australian Willow Plantation Pty Ltd and registered proprietors, dated 12 June 1998, received 24 May 2000;
 - Draft Assignment of Lease (Wood Wood property) between Australian Willow Plantation Pty Ltd, Project Manager and registered proprietors, undated, received 6 April 2000;
 - Draft Assignment of Lease (Koraleigh property) between Australian Willow Plantation Pty Ltd, Project Manager and registered proprietors, undated, received 6 April 2000;
 - Draft Securities Marketing Agreement between Project Manager and Strategic Distribution Management Pty Ltd, undated, received 6 April 2000;
 - Draft Administrative Services Agreement between Project Manager and Calculum Pty Ltd, undated, received 6 April 2000;
 - Final revised draft of Project Promotion And Timber Marketing Agreement between Project Manager and Australian Cricket Willow Pty Ltd, undated, received 31 May 2000;
 - Draft Forestry Advisers Agreement between Project Manager and Forestry Adviser, undated, received 6 April 2000;
 - Draft Custody Agreement between Project Manager and Sandhurst Trustees Limited, undated, received 6 April 2000;

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- Draft Lease of Chattels Agreement between Project Manager and Australian Cricket Willow Pty Ltd, undated, received 30 May 2000;
- Facsimiles (3) to ATO from Project Manager's solicitor, dated 23 May 2000;
- Facsimile to ATO from Project Manager, dated 24 May 2000; and
- Facsimile to ATO from Project Manager, dated 30 May 2000.

Note: certain information received from Australian Cricket Bat Willow Plantation Management Services Ltd has been provided on a commercial-in-confidence basis and will not be disclosed or released under Freedom of Information legislation.

16. The documents highlighted are those the Growers are required to enter into. There are no other agreements, whether formal or informal, and whether or not legally enforceable, which a Grower, or any associate of the Grower, will be a party to. The effect of these agreements is summarised as follows.

Overview

17. This Arrangement is called the Australian Cricket Bat Willow Project.

Location	Murray Valley Region, North Western Victoria and South Western New South Wales.
Type of business each participant is carrying on	Commercial growing, and cultivation of <i>Salix Alba Var. Caerulea</i> trees (Cricket Bat Willow Trees) for the purpose of producing timber for manufacture into Cricket Bats.
Number of hectares under cultivation	Area established under Stage 1 is 4.5 hectares, approximately. Area to be established under Stage 2 is 25 hectares, approximately.
Names used to describe the product	Australian Cricket Bat Willow Project
Size of each Plantation Allotment	Minimum 150 m ² , additional areas available in multiples of 75 m ² .
Number of trees per 75 metres square	10
Expected production	300 clefts per 75 m ² .

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The term of the investment in years	10-12 years (lease term with option for up to 4 years).
Initial Fees per Unit	\$2,650 per 75 m ² .
Initial Fees per Plantation Allotment (minimum area)	\$5,300 per 150 m ² .
Ongoing costs commencing 1 July 2001	<ul style="list-style-type: none"> • Management Fees (\$100 per 75 m² indexed for CPI and adjusted for any GST annually). • Rental (\$25 per 75 m² indexed for CPI and adjusted for any GST annually) • Timber Marketing Fee (20% of net proceeds in excess of \$9,000 (indexed for CPI) payable upon the sale of the Timber) • Insurance (if available at a reasonable cost)

Project

18. The Australian Cricket Bat Willow Project (“Project”) was established by Australian Cricket Bat Willow Plantation Management Services Limited (“Project Manager”) as a prescribed interest scheme pursuant to a Deed of Trust dated 15 June 1998. The Project Manager issued Prospectus 1998 in relation to the Project on 15 June 1998 and established Stage 1 of the Prospectus (approximately 4.5 hectares) on behalf of Growers (being a person whose Application for an Interest in the Project is accepted and who becomes a party to the Project Agreements) who subscribed under that Prospectus.

19. Following the introduction of the *Managed Investments Act* 1998, the Project Manager registered the Project as a Managed Investment Scheme under the Corporations Law, effective 7 March 2000, with itself named as Responsible Entity of the Project.

20. The Project Manager issued Prospectus 2000 in relation to the Project on 29 March 2000 and intends to develop Stage 2 of the Project (approximately 25 hectares) on behalf of Growers subscribing under that Prospectus. There is no minimum subscription number stipulated in Prospectus 2000. However, Applications for an Interest in the Project will not be accepted after 13 months from the date of Prospectus 2000. The minimum Interest that a person may acquire in the Project pursuant to Prospectus 2000 is one Plantation Allotment (equivalent to 2 Units or an area of 150m²) and larger interests may be acquired in multiples of one Unit.

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Project Agreements

21. A Grower who obtains an Interest in the Project under Prospectus 2000 enters into a Plantation Lease and Plantation Management Agreement with the Project Manager. The effect of these Project Agreements is summarised in paragraphs 26 to 36 below.

Project Land

22. The Project is conducted on the Project Land, which is leased by the Landholder (who is also the Project Manager), pursuant to the Head Lease. The Head Leases were originally entered into by the registered proprietors and Australian Willow Plantation Pty Ltd (AWP) but AWP subsequently assigned its interest in the Head Leases to the Landholder. The Project Land presently consists of two sites close to the Murray River; one near Wood Wood, in north western Victoria and the other a short distance away near Koraleigh, in south western New South Wales.

Projected Returns

23. Possible projected returns for Growers are outlined on pages 14 and 15 of the Prospectus 2000. The projected returns are based largely on judgement and expert opinion, but, as there are inherent risks in primary production due to matters beyond the control of the Project Manager (such as adverse weather conditions and variable market conditions), the projected returns may not be achieved. Accordingly, the Project Manager does not guarantee the performance or success of the Project, or any particular rate of return on funds invested. However, if the Project Manager's assumptions are borne out and based on the example set out on page 14 of the Prospectus, a Grower who invests in twice the minimum Leased Area, will incur costs of \$15,500 and obtain an estimated net return of \$36,000 in Year 11.

Constitution

24. The Constitution details the rights and liabilities of the Project Manager, as Responsible Entity, and each Grower who acquires an Interest in the Project. The Constitution is registered by ASIC (Australian Securities and Investments Commission) and is legally binding upon the Project Manager and each Grower. The Project Manager will keep a register of Growers. Growers may assign their Interest in the Project but the Project Manager is under no obligation to acquire their Interest. Subject to the Corporations Law and the right of the Growers by extraordinary resolution to wind up the

Project, the Project continues until the expiration of all of the Plantation Leases or the completion of the harvesting of all Plantation Allotments and the distribution of all net proceeds of sale from the Timber, whichever is the sooner.

Compliance Plan

25. The Project Manager has prepared a Compliance Plan in accordance with the Corporations Law. The Compliance Plan details the measures that the Project Manager will implement to ensure that it and its servants, agents and contractors comply with the Constitution and the Corporations Law in so far as it applies to the Project.

Plantation Lease

26. A Grower will sublease a Plantation Allotment from the Landholder pursuant to a Plantation Lease for a term of 9 years. However, as the Willow Trees may take longer to attain a suitable size and density for the production of clefts, the Grower will be granted an option to extend the term of the Plantation Lease for an additional 4 years or until the earlier harvesting of the Willow Trees.

27. The Plantation Lease grants Growers an interest over an identifiable area of land which is consistent with the intention to carry on a business of growing trees. The interest gives the Growers the full right, title and interest in the Willow Trees planted on their plantation allotment and the right to harvest such Willow Trees and to retain all income from their sale until the end of the lease term.

28. Pursuant to the Plantation Lease, the Grower is required to pay rental, which is inclusive of water consumption charges and the costs of leasing irrigation equipment.

29. For the period from the Commencement Date (being the date on which a Grower's Application is accepted) until 30 June 2001, a Grower will pay Initial Rental, that is included in Initial Fees, of \$27.50 for each Unit (minimum 2 Units).

30. For the period from 1 July 2001 until 30 June 2002 and for each subsequent 12 month period during the lease term, a Grower will pay Annual Rental of \$25 for each Unit, Indexed, plus GST. The first payment of Annual Rental is due on 1 August 2001 and subsequent payments on 1 August in each year.

Plantation Management Agreement

31. The Grower will engage the Project Manager to establish and manage the Grower's plantation of Willow Trees pursuant to a Plantation Management Agreement.

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32. Pursuant to the Plantation Management Agreement the Project Manager will perform the following Plantation Services:

- establishing the plantation within the specified period;
- planting and fertilising the Willow Tree seedlings;
- constructing suitable safeguards on the Grower's Plantation Allotment;
- establishing and maintaining successful patterns for growth and harvesting the Willow Trees;
- coordinating appropriate research to ensure problems and risks are minimised;
- conducting alternative testing procedures in respect of growth, pruning and harvesting;
- coordinating appropriate research and development;
- monitoring and supervising the Forestry Contractor;
- coordinating regular systematic checks of the Plantations;
- liaising with forestry and technical experts; and
- harvesting and selling the Timber.

33. The timing for completion of the planting and establishment of the Grower's Plantation by the Project Manager will be within 30 days of the Commencement Date of the Plantation Management Agreement.

34. Pursuant to the Plantation Management Agreement, the Grower will pay Management Fees in consideration for the Project Manager providing Plantation Services to establish and manage the Grower's plantation.

35. For the period from the Commencement Date until 30 June 2001, a Grower will pay Management Fees, that are included in Initial Fees, of \$2,622.50 for each Unit (minimum 2 Units). In the initial year Management Fees are apportioned for each Unit as follows:

- Initial Management Fee - 1st 30 days: \$2,567.50
- Management Fee to 30/6/2001: \$ 55.00

36. For the period from 1 July 2001 until 30 June 2002 and for each subsequent 12 month period during the term, a Grower will pay an Annual Management Fee of \$100 for each Unit, Indexed, plus GST. The first payment of Annual Management Fee is due on 1 August 2001 and subsequent payments on 1 August in each year.

Sale of Timber

37. It is anticipated that the Willow Trees planted under Stage 2 of the Project will attain a suitable size and density for harvesting between 2010 and 2012. However, the Timber may be ready to be harvested at any time between 2008 and 2013, depending on the growing conditions that have applied during the term of the Project and the assessment by the Project Manager of the market conditions at the relevant time.

38. An appropriate thinning process will be put in place to ensure that the Grower has the best possible chance of achieving optimum return. The Grower will receive the net income from the sale of trees felled as part of the thinning program.

39. Each Grower authorises the Project Manager to sell the clefts processed from the trees harvested on the Grower's Plantation Allotment at the best price reasonably attainable.

40. The Project Manager has received expressions of interest from a number of local and overseas cricket bat manufacturers in relation to the possibility of purchasing Timber produced by the Project and the Project Manager is confident that it will be able to secure a satisfactory timber sale agreement when the Willow Trees near maturity.

41. The proceeds of sale of Stage 2 Timber will be pooled and the net proceeds distributed to Stage 2 Growers on a pro rata basis.

Fees*Initial Fees*

42. For a Grower whose Application is accepted on or after 1 June 2000, the Initial Fees are \$5,300 for the minimum Plantation Allotment plus \$2,650 for each additional area of 75m². The Grower's plantation will be established within 30 days of the Grower's application being accepted. The Initial Fees are apportioned for each 75m² of the Plantation Allotment as follows:

- Initial Management Fee - 1st 30 days: \$2,567.50
- Management Fee to 30/6/2001: \$ 55.00
- Initial Rental to 30/6/2001: \$ 27.50

42. If the period from the Commencement Date to 30 June 2001 is less than 12 calendar months the Initial Fees remains as stated above but the Grower will be allowed a credit for each full calendar month by which the period is less than 12 months in respect of the Management Fee for the period to 30 June 2001 (but not the Initial Management Fee applicable to the first 30 days after the

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Commencement Date) and the Initial Rental. The credit will be applied in reducing the Annual Management Fee and Annual Rental payable in respect of the succeeding 12 month period (refer paragraph 44) but is not otherwise refundable to the Grower.

Annual Fees

44. From 1 July 2001 all Growers will be required to pay an Annual Management Fee and Annual Rental (with payment being made on 1 August in each year). The Annual Management Fee will be \$100 per 75m² Indexed each 30 June from the Commencement Date plus GST. The Annual Rental will be \$25 per 75m² Indexed each 30 June from the Commencement Date plus GST.

Product Marketing Fee

45. A Product Marketing Fee equal to 20% of the amount by which the net proceeds of sale of the Timber harvested from each 75m² of the Plantation Allotment exceed the base price of \$9,000, Indexed on 30 June each year from the Commencement Date, is payable by the Grower upon sale of the Timber.

46. Every Grower is required to insure their Crop every year against fire, if such insurance is available at a reasonable cost.

Finance

47. Growers can fund their investment in the Projects themselves, borrow from an independent lender or borrow through finance arrangements offered by Australian Plantation Finance Pty Ltd ("Financier"). The finance to be offered by the Financier will be on commercial terms.

48. The provision of finance involves full recourse loans and the Financier will pursue legal action against defaulting borrowers.

49. This Ruling does not apply if a Grower enters into a finance agreement that includes or has any of the following features:

- there are split loan features of a type referred to in Taxation Ruling TR 98/22;
- entities associated with the Project, other than the Financier, are involved in the provision of finance for the Project;
- there are indemnity arrangements or other collateral agreements in relation to the loan designed to limit the borrower's risk;

- ‘additional benefits’ will be granted to the borrowers, for the purposes of section 82KL, or the funding arrangements transform the Project into a ‘scheme’ to which Part IVA may apply;
- the loan terms or rate of interest are of a non-arm’s length nature;
- repayments of the principal and interest are linked to the derivation of income from the Projects;
- the funds borrowed, or any part of them, will not be available for the conduct of the Project but will be transferred (by any mechanism) back to the lender, or any associate of the lender; or
- lenders do not have the capacity under the loan agreement, or a genuine intention, to take legal action against defaulting borrowers.

50. For those Growers who subscribed at least \$10,600 (the total Application Amount required in respect of an area of 300m²) the Financier is prepared to lend up to 80% of their subscription amount, net of GST, subject to availability of funds and provided the Grower satisfies the Financier’s lending criteria.

51. Loans to Growers will be at the Financier’s then current interest rate, fixed for the term of the loan. The Financier’s current interest rate is 9.9% per annum, but may increase in accordance with increases in the official interest rate prior to the Grower’s loan application being approved.

52. Loans will be repayable by calendar monthly instalments of principal and interest over a 5 year term. Each Grower applying to use this facility will be required to pay a loan Initial Fee of \$250 plus GST, irrespective of the sum borrowed.

53. Instalments of principal may be repaid earlier without penalty. A monthly payment of \$169.60 (plus GST) is payable based on a loan of \$8,000. The monthly payment will be adjusted pro rata for other loans. Loans will be secured by a charge over the Grower’s Interest in the Project.

Ruling

Section 6-5: Assessable Income

54. For a Grower who invests in the Project, gross income received from the sale of wood from their plantation business will be assessable income under section 6-5 of the ITAA 1997. The year in which the sale proceeds would be assessable would depend on

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whether the particular Grower is required to return its income on a cash or accruals basis.

Section 27-5 or 27-30: Goods and Services Tax

55. For a Grower who invests in the Project, sections 27-5 or 27-30 of the ITAA 1997 will apply to reduce the amount of any deduction allowable by any GST input tax credit to which the Grower is entitled or, in the case of section 27-5, a decreasing adjustment that a Grower has.

Section 8-1: Allowable Deductions

56. For a Grower who invests in the Project, the deduction available for the prepaid Initial Fees will depend upon the date that the investment is made and, in some cases, whether or not they are 'small business taxpayers'.

IMPORTANT: Paragraph 57 and 60 (relating to 'small business taxpayers') and paragraphs 58, 59, 61 and 62 (relating to taxpayers who are not 'small business taxpayers') describe the deductions allowable under the current law, but Growers are advised to carefully examine the information contained in paragraphs 66 to 68 relating to proposed changes to the prepayment rules. Growers who invest in the Project after 1pm, AEST, 11 November 1999 may be affected by these changes.

Growers who are small business taxpayers who invest on or before 30 June 2000

57. For a Grower who is a 'small business taxpayer' who invests on or before 30 June 2000, the following deductions will be available for the years ended 30 June 2000 to 30 June 2002.

Deductions available each year per Plantation Allotment (150 m²)

Fee Type		ITAA 1997 Section	Year 1 30/6/2000	Year 2 30/6/2001	Year 3 30/6/2002
Initial Fees	Initial Management Fee	8-1 (Note (i))	\$5,135		
	Management Fee	8-1 (Note (i))	\$110		
	Initial Rental	8-1	\$55		

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		(Note (i))			
Annual Fees	Annual Rental & Management Fee	8-1 (Note (ii))			\$250

(Note: All figures shown are exclusive of GST)

- (i) Legislative change means that the full deduction will not be allowed in the year ended 30 June 2000 to Growers who are not 'small business taxpayers'. See paragraphs 58 to 59 and Example 1 at paragraph 105. Proposed legislative change applying to expenditure incurred after 1:00pm AEST 11 November 1999 means that for all Growers the full deduction may not be allowed in the year ended 30 June 2000. See the non binding advice in paragraphs 66 to 68 and Example 2 at paragraph 106.
- (ii) These amounts are to be indexed.

Growers who are not small business taxpayers who invest on or before 30 June 2000

58. For a Grower who invests in the Project on or before 30 June 2000 who is **not a 'small business taxpayer'** and is carrying on a business, the deduction available in respect of the prepaid Initial Fees will depend upon the date that the investment is made and is determined under subsection 82KZMB(2), using the formula in subsection 82KZMB(3) and the percentages shown in Columns 3 and 4 of the Table in subsection 82KZMB(5). (Example 1 at paragraph 105 illustrates the application of this method).

59. In calculating the deduction available, the term 'expenditure' refers to expenditure otherwise allowable under section 8-1 whose 'eligible service period' ends not more than 13 months after it is incurred by the taxpayer. The 'eligible service period' (defined in subsection 82KZL(1)) means, generally, the period over which the services are to be provided.

Year 1: Expenditure incurred on or before 30 June 2000

Available deduction = A + B

Where:

the A = Expenditure X Number of days of eligible service period in expenditure year

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Total number of days of the eligible service period

$$B = (\text{Expenditure less } A) \times 80\%$$

Year 2: Expenditure incurred on or after 1 July 2000 and on or before 30 June 2001

$$\text{Available deduction} = A+B+C$$

Where:

$$A = \text{Expenditure } X \times \frac{\text{Number of days of eligible service period in the expenditure year}}{\text{Total number of days of the eligible service period}}$$

Total number of days of the eligible service period

$$B = (\text{Expenditure less } A) \times 60\%$$

C = Balance of the Year 1 expenditure not previously deducted

Year 3: Expenditure incurred on or after 1 July 2001 and on or before 30 June 2002

$$\text{Available deduction} = A+B+C$$

Where:

$$A = \text{Expenditure } X \times \frac{\text{Number of days of eligible service period in the expenditure year}}{\text{Total number of days of the eligible service period}}$$

Total number of days of the eligible service period

$$B = (\text{Expenditure less } A) \times 40\%$$

C = Balance of Year 2 expenditure not previously deducted.

Growers who are small business taxpayers who invest during the year ending 30 June 2001

60. For a Grower who is a 'small business taxpayer' who invests during the year ending 30 June 2001, the following deductions will be available for the years ended 30 June 2001 to 30 June 2003.

Deductions available each year per Plantation Allotment (150 m²)

Fee Type		ITAA 1997 Section	Year 1 30/6/2001	Year 2 30/6/2002	Year 3 30/6/2003
Initial Fees	Initial Management	8-1 (Note (iii))	\$5,135		

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	Fee				
	Management Fee	8-1 (Note (iii))	\$110		
	Initial Rental	8-1 (Note (iii))	\$55		
Annual Fees	Annual Rental & Management Fee	8-1 (Note (ii) above)		(Note (iv))	\$250

(Note: All figures shown are exclusive of GST)

- (i) Legislative change means that the full deduction will not be allowed in the year ended 30 June 2001 to Growers who are not 'small business taxpayers'. See paragraphs 61 to 62 and Example 1 at paragraph 105. Proposed legislative change applying to expenditure incurred after 1:00pm AEST 11 November 1999 means that for all Growers the full deduction may not be allowed in the year ended 30 June 2001. See the non binding advice in paragraphs 66 to 68 and Example 2 at paragraph 106.
- (ii) Annual Rental & Management Fee payable on 1 August 2001 will be \$250 less any credit allowed in respect of Initial Fees. Refer to Paragraph 43.

Growers who are not small business taxpayers who invest during the year ending 30 June 2001

61. For a Grower who invests in the Project during the year ending 30 June 2001 who is not a 'small business taxpayer' and is carrying on a business, the deduction available in respect of the prepaid Initial Fees is determined under subsection 82KZMB(2), using the formula in subsection 82KZMB(3) and the percentages shown in Columns 3 and 4 of the Table in subsection 82KZMB(5). (Example 1 at paragraph 105 illustrates the application of this method).

62. In calculating the deduction available, the term 'expenditure' refers to expenditure otherwise allowable under section 8-1 whose 'eligible service period' ends not more than 13 months after it is incurred by the taxpayer. The 'eligible service period' (defined in subsection 82KZL(1)) means, generally, the period over which the services are to be provided.

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Year 1: Expenditure incurred on or before 30 June 2001

Available deduction = A + B

Where:

A = Expenditure X $\frac{\text{Number of days of eligible service period in the expenditure year}}{\text{Total number of days of the eligible service period}}$

B = (Expenditure less A) x 60%

Year 2: Expenditure incurred on or after 1 July 2001 and on or before 30 June 2002

Available deduction = A+B+C

Where:

A = Expenditure X $\frac{\text{Number of days of eligible service period in the expenditure year}}{\text{Total number of days of the eligible service period}}$

B = (Expenditure less A) x 40%

C = Balance of the Year 1 expenditure not previously deducted

Year 3: Expenditure incurred on or after 1 July 2002 and on or before 30 June 2003

Available deduction = A+B+C

Where:

A = Expenditure X $\frac{\text{Number of days of eligible service period in the expenditure year}}{\text{Total number of days of the eligible service period}}$

B = (Expenditure less A) x 20%

C = Balance of Year 2 expenditure not previously deducted.

Sections 82KL, 82KZM, 82KZMB and Part IVA

63. For a Grower who invests in the Project the following provisions of the ITAA 1936 have application as indicated:

- section 82KL does not apply to deny the deductions otherwise allowable;

- expenditure by Growers who are small business;
- taxpayers is not within the scope of section 82KZM;
- (but see paragraphs 66 to 68); and
- the relevant provisions in Part IVA will not be applied to cancel a tax benefit obtained under a tax law dealt with in this Ruling.

Interest Deductibility

64. For a Grower who finances the investment in the Project through the loan facility offered by Australian Plantation Finance Pty Ltd, interest incurred on the loan for the years ending 30 June 2000, 30 June 2001 and 30 June 2002, is deductible under section 8-1.

Section 25-25: Borrowing Expenses

65. For a Grower who finances the investment in the Project through the loan facility offered by Australian Plantation Finance Pty Ltd, borrowing expenses will be deductible pursuant to section 25-25 over the 5 year period of the loan.

Proposed new laws

Proposed changes to prepayment rules

66. On 11 November 1999, the Government announced a number of changes to the deductibility of certain prepaid expenditure incurred in respect of 'tax shelter arrangements'. Provided the proposed changes are enacted as announced, the Project will be a 'tax shelter arrangement' and all Growers, including 'small business taxpayers', who invest in the Project after 1pm, AEST, 11 November 1999, will be subject to these changes.

67. For these Growers, the amount of deduction available in respect of the Management Fee is calculated using the formula shown below (see also Example 2 at paragraph 106). In the calculation, the term 'expenditure' refers to expenditure otherwise allowable under section 8-1 of the ITAA 1997 whose 'eligible service period' ends not more than 13 months after it is incurred by the taxpayer. The 'eligible service period' (defined in subsection 82KZL(1)) means, generally, the period over which the services are to be provided.

$$\text{Deduction} = \text{Expenditure} \times \frac{\text{Number of days of eligible service period in the expenditure year}}{\text{Number of days in the expenditure year}}$$

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Total number of days of the eligible service period

The excess remaining after the application of this formula is deductible in the year that the services to which the excess relates are performed.

Note to promoters and advisers -

68. **Product rulings were introduced for the purpose of providing certainty about tax consequences for investors in projects such as this. In keeping with that intention, the Australian Taxation Office suggests that promoters and advisers ensure that potential investors are fully informed of the announcement requiring prepayments in respect of ‘tax shelter’ arrangements to be deductible over the period services are provided. Such action should minimise suggestions that potential investors have been negligently or otherwise misled.**

Explanations

Section 6-5: Assessable Income

69. For a Grower who invests in the Project, gross income received from the sale of wood from their plantation business will be assessable income under section 6-5 of the ITAA 1997. The year in which the sale proceeds would be assessable would depend on whether the particular Grower is required to return its income on a cash or accruals basis.

Sections 27-5 and 27-30: Goods and Services Tax

70. Section 27-30 of the ITAA 1997 operates to deny a deduction that would be otherwise available under section 8-1 for the year ended 30 June 2000 to the extent that the loss or outgoing (incurred after 30 November 1999 and before 1 July 2000) includes an amount relating to an input tax credit to which a Grower will be entitled after 1 July 2000.

71. Section 27-5 of the ITAA 1997 operates to deny a deduction, that would be otherwise available under section 8-1, to the extent that the loss or outgoing incurred (on or after 1 July 2000) includes an amount relating to an input tax credit to which a Grower is entitled or a decreasing adjustment that a Grower has.

Subdivision 960-Q: Small business taxpayers

72. In this Product Ruling the term ‘small business taxpayer’ is relevant for the purposes of certain prepaid expenditure.

73. Whether a Grower is a ‘small business taxpayer’ depends upon the individual circumstances of each Grower and is beyond the scope of this Product Ruling. It is the responsibility of each Grower to determine whether or not they are within the definition of a ‘small business taxpayer’.

74. A ‘small business taxpayer’ is defined in section 960-335 of the ITAA 1997 as a taxpayer who is carrying on a business and either their ‘average turnover’ for the year is less than \$1,000,000 or their turnover recalculated under section 960-350 is less than \$1,000,000.

75. ‘Average turnover’ is determined under section 960-340 by reference to the average of the taxpayer’s ‘group turnover’. The group turnover is the sum of the ‘value of business supplies’ made by the taxpayer and entities connected with the taxpayer during the year (section 960-345).

Section 8-1: Allowable Deductions

76. Consideration of whether lease and management fees are deductible under section 8-1, begins with paragraph 8-1(1)(a), 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 paragraph 8-1(1)(b) if they are incurred before the business has commenced; and
- where a taxpayer contractually commits itself to a venture that may not turn out to be a business, there can be doubt about whether paragraph 8-1(1)(b) applies. However, that does not preclude the application of paragraph 8-1(1)(a), in determining whether the outgoings in question would have a sufficient connection with activities to produce assessable income.

77. Operating an afforestation plantation can constitute the carrying on of a business. Where there is a business, or a future business, the gross sale proceeds from the sale of the timber from the Project will constitute gross assessable income under section 6-5. The generation of ‘business income’ from such a business, or future business, provides the basis against which to determine whether the

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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.

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

- 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.

79. For this Project Growers have under the Plantation Lease, rights in the form of a lease over an identifiable area of land (known as a Plantation Allotment) which are consistent with the intention to carry on a business of growing trees.

80. Under the Plantation Management Agreement, Growers appoint Australian Cricket Bat Willow Plantation Management Services Ltd, as Project Manager, to supply the Salix Alba Var.Caerulea trees and grow and care for seedlings, rip and mound the Plantation Allotment, spray the Plantation Allotment for the control of weeds, fumigate and poison to exterminate or control pests and vermin on the Plantation Allotment, fertilise, spray and otherwise care for the Plantation Allotment as and when required according to good silvicultural and forestry practices.

81. The Plantation Lease gives Growers the full right, title and interest in the Willow Trees planted on their plantation allotment and the right to harvest such Willow Trees and to retain all income from their sale (clause 8.14) until the end of the lease term.

82. Growers have the right to use the land in question for afforestation purposes and to have the Project Manager come onto the land to carry out its obligations under the Plantation Lease and Plantation Management Agreement. As evidenced by the Agreement and supplemented by the Corporations Law, the Grower has a significant degree of control over the Project Manager. Under the Project, Growers are entitled to receive regular progress reports on Australian Cricket Bat Willow Plantation Management Services Ltd activities. Growers are able to terminate arrangements with the Project Manager in certain instances, such as where the Project Manager has failed to perform any of its duties with due care and diligence. The afforestation activities described in the Plantation

Lease and Plantation Management Agreement are carried out on the Growers' behalf.

83. 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. 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 which suggest that the Project should return a 'before-tax' profit to the Growers, i.e., a 'profit' in cash terms that does not depend in its calculation, on the fees in question being allowed as a deduction. The Independent Forester's assessment was that plantation yields will be economically viable.

84. Growers will engage the professional services of a Manager with appropriate credentials. There is a means to identify which trees Growers have an interest in. 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.

85. Growers have a continuing interest in the trees from the time they are acquired until harvest. 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. It follows that the Growers' afforestation activities will constitute the carrying on of a business.

86. The fees associated with the afforestation activities will be incidental and relevant 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 the business. They will, therefore, satisfy the requirements for deductibility as contained in paragraph 8-1(1)(a). 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 section 8-1 are met. The exclusions do not apply.

Section 82KL

87. Section 82KL is a specific anti-avoidance provision that operates to deny an otherwise allowable deduction for certain expenditure incurred, but effectively recouped, by the taxpayer. Under subsection 82KL(1), a deduction for certain expenditure is disallowed where the sum of the 'additional benefit' plus the 'expected tax saving' in relation to that expenditure equals or exceeds the 'eligible relevant expenditure'.

88. 'Additional benefit' (see the definition of 'additional benefit' at subsection 82KH(1) and paragraph 82KH(1F)(b)) is, broadly speaking, a benefit received that is additional to the benefit for which

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the expenditure is ostensibly incurred. The 'expected tax saving' is essentially the tax saved if a deduction is allowed for the relevant expenditure.

89. Section 82KL's operation depends, among other things, on the identification of 'additional benefits'. In the Project, there may be a loan provided by Australian Plantation Finance Pty Ltd to the Grower. The loan is provided on commercial terms and on a full recourse basis. Under the arrangement, the 'additional benefits' to be provided are insufficient to trigger the application of section 82KL. Consequently, section 82KL will not apply to deny the deductions otherwise allowable under section 8-1.

Section 82KZM: Prepaid expenditure for small business taxpayers

90. Section 82KZM of the ITAA 1936 operates to spread over more than one income year a deduction for prepaid expenditure incurred by a 'small business taxpayer' that would otherwise be immediately deductible, in full, under section 8-1. The section applies if certain expenditure incurred under an agreement is in return for the doing of a thing under the agreement that is not wholly done within 13 months after the day on which the expenditure is incurred.

91. Under the Plantation Lease and Plantation Management Agreement, the Initial Fees will be incurred for applications accepted upon execution of the Agreement. For this Ruling's purpose, no explicit conclusion can be drawn from the arrangement's description that the fee has been inflated to result in reduced fees being payable for subsequent years. The fee is expressly stated to be for a number of specified services. There is no evidence that might suggest the services covered by the fee could not be provided within 13 months of the fee incurred.

92. Thus, for the purposes of this Ruling, it can be accepted that no part of the Initial Fees is for the Project Manager doing 'things' that are not to be wholly done within 13 months of the fee being incurred. On this basis, the basic precondition for the operation of section 82KZM is not satisfied and it will not apply to the expenditure incurred by Growers, who are small business taxpayers'.

82KZMA to 82KZMD: Prepaid expenditure for taxpayers other than small business taxpayers

93. For a Grower who is not a 'small business taxpayer' and is carrying on a business, sections 82KZMA to 82KZMD determine the amount of a deduction otherwise allowable under section 8-1 where expenditure is incurred under an agreement for the doing of a thing

that is not to be wholly done within the income year in which the expenditure is incurred (the expenditure year). Generally, these provisions operate to limit the amount of deduction available in the expenditure year to the amount that relates to that income year.

94. Section 82KZMA is a gateway provision that sets out when the new treatment will apply. Sections 82KZMB and 82KZMC set out the rules for prepayments incurred in the transitional period, for things to be done wholly within 13 months. For Growers investing in the Project on or before 31 May 2000, transitional treatment applies to expenditure incurred in the 1999-2000 income year. Section 82KZMD governs the deductibility of prepaid expenditure where the eligible service period ends more than 13 months after the date the expenditure was incurred, and does not apply to the Project.

95. The deduction available to Growers for the Initial Fees will be determined in accordance with the rules contained in section 82KZMB.

96. During the transitional period the amount of the deduction available to Growers is determined using the formula in subsection 82KZMB(3) and the percentages shown in the table in subsection 82KZMB(5).

Interest Deductibility

97. Some Growers may finance the investment through a loan facility offered by Australian Plantation Finance Pty Ltd. Whether the interest expenses are deductible under section 8-1 depends on the same reasoning as that applied to whether the management fees and rental fees will be deductible. The interest fees incurred will be in respect of a loan to finance the services to be performed under the Plantation Lease and Plantation Management Contract. This is directly connected with the gaining of 'business income' from the Project. Consequently, these expenditures will have a sufficient connection with the gaining of assessable income. No capital, private or domestic component is identifiable in respect of them.

Section 25-25: Borrowing Expenses

98. Some Growers may finance the investment through a loan facility offered by Australian Plantation Finance Pty Ltd. These loans will be provided on a full recourse basis and on commercial terms for the purpose of producing assessable income. On this basis, section 25-25 will apply to allow a deduction over the 5 year period of the loan for the expenditure incurred in borrowing funds to finance the obligations to pay initial plantation establishment fees.

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Proposed changes to prepayment rules

99. The changes announced by the Government to apply from 11 November 1999 but not yet enacted will affect all taxpayers that participate in a 'tax shelter arrangement' and prepay expenditure for up to 13 months. It is proposed that deductions otherwise allowable under section 8-1 of the ITAA 1997 be spread over the period to which the prepayment relates. Under the proposed changes, there will be no exemption for small business taxpayers and no transitional rules will apply.

100. A tax shelter arrangement is described as existing where:

- under the arrangement, the taxpayer's allowable deductions exceed the assessable income for that year; and
- all significant aspects of the arrangement during the income year are conducted by people (e.g., a manager) other than the taxpayer; and
- either:
 - more than one taxpayer participates in the arrangement; or
 - the manager, or an associate of the manager, also manages similar arrangements on behalf of others.

101. The arrangement relating to the Project and described at paragraphs 15 to 53 of this Product Ruling is within the description of a 'tax shelter arrangement'. Therefore, the prepaid Initial Fees incurred by Growers who invest in the Project after 11 November 1999 will be deductible over the period the services are provided in the event that the proposed changes as described above are legislated. The formula for calculating the deductible amount is expected to be the same as that currently shown in subsection 82KZMD(2).

Part IVA

102. For Part IVA to apply there must be a 'scheme' (section 177A), a 'tax benefit' (section 177C), and a dominant purpose of entering into or carrying out the scheme to enable the relevant taxpayer to obtain a tax benefit in connection with the scheme (section 177D).

103. The Project will constitute a 'scheme' which commenced when the Prospectus was issued. The Growers will obtain an initial 'tax benefit' from entering into the scheme, in the form of the

deduction for the Initial Fees, allowable under section 8-1, that would not have been obtained but for the scheme. However, it is not possible to conclude that the scheme will be entered into or carried out with the dominant purpose of enabling the relevant taxpayer to obtain this tax benefit.

104. 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. The Independent Forester's Report contained in the Prospectus states that the Project should achieve its financial objective if the forestry regimes set out in the report are followed, good marketing arrangements are put in place and the international economy and climatic factors (especially annual rainfall) are favourable. Finance under the Project is provided on commercial terms and on a full recourse basis. The essential features of the Project are not such as to indicate that the Project would be so 'tax driven' and so designed to produce a tax deduction of a certain magnitude that would attract the operation of Part IVA.

Examples

105. Example 1: Obligation to prepay expenditure arising on or after 21 September 1999 and before 1pm AEST 11 November 1999 – applies to taxpayers who are not small business taxpayers and are carrying on a business:

Joseph Gardener has been in business for a number of years and has calculated his average turnover for the 1999/2000 income year to be greater than \$1 million. Therefore, he is not a small business taxpayer and is subject to the 21 September 1999 changes to the tax laws relating to prepaid expenditure. Joseph enters into a contract with Pinetree Pty Ltd to manage his one hectare interest in the No 2 Pine Plantation. Joseph's management contract is executed on 20 October 1999 for management services to be provided from 1 June 2000. Under the contract, the first five year's management fees, payable in advance on 1 June each year for services to be provided for the following 12 months, are \$6,000 in the first year and \$1,200 for each of the following four years. Joseph is unable to deduct the whole of his prepaid management fees in the years in which they are incurred. The fees are instead deductible over the eligible service period over which the management services will be provided. However, as the law currently stands, Joseph is able to take

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advantage of certain transitional rules that ‘shade-in’ the effect of the changes to the prepayment laws.

For 1999/2000 Joseph can claim a deduction of \$4,899 for expenditure incurred before 30 June 2000 on management fees. This amount is calculated as A + B where:

$$A = \text{Management fee X } \frac{\text{Number of days of eligible service period in the expenditure year}}{\text{Total number of days of the eligible service period}}$$

$$= \$6,000 \times \frac{30}{365} = \$493$$

$$B = (\text{Management fee less A}) \times 80\%$$

$$= (\$6,000 - \$493) \times 80\% = \$4,406$$

The balance of the \$6,000 management fees that were prepaid on 1 June 2000 (i.e., \$1,101) is carried forward and can be claimed as a deduction in the 2000/2001-income year.

For 2000/2001, Joseph can claim a deduction of \$1,861 for expenditure incurred after 1 July 2000 and before 30 June 2001 on management fees. This amount is calculated as A + B + C where:

$$A = \$1,200 \times \frac{30}{365} = \$99$$

$$B = (\$1,200 - \$99) \times 60\% = \$661$$

$$C = \$1,101$$

Note that the third component (Part C) is the amount carried forward from 1999/2000. As in the first year, the balance of the \$1,200 management fees prepaid on 1 June 2001 (i.e., \$440) is carried forward and can be claimed as a deduction in the 2001/2002 income year. It should also be noted that in certain circumstances, not present in most projects with Product Rulings, ‘capping provisions’ will apply in the second and subsequent transitional years. These are complex and are not explained in this example.

Similarly, for 2001/2002, Joseph can claim a deduction of \$980 for expenditure incurred on or after 1 July 2001 and on or before 30 June 2002 on management fees. This amount is calculated as A + B + C where:

$$A = \$1,200 \times \frac{30}{365} = \$99$$

$$B = (\$1,200 - \$99) \times 40\% = \$441$$

$$C = \$440$$

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Note that the third component (Part C) is again the amount carried forward from 2000/2001. As in the first two years, the balance of the \$1,200 management fees prepaid on 1 June 2002 (i.e., \$660) is carried forward and can be claimed as a deduction in the 2002/2003-income year.

106. Example 2: Obligation arising after 1pm AEST 11 November 1999 to prepay expenditure – applies to all taxpayers investing in ‘tax shelter arrangements’:

Assume the same facts as above except that the management agreement is executed after 11 November 1999. Assume also that the No 2 Pine Plantation is a ‘tax shelter arrangement’. For the Management fee of \$6,000 incurred on 1 June 2000 for management services to be provided between that date and 31 May 2001, Joseph can claim a deduction for the 1999/2000 income year determined in the following way:

$$A = \text{Management fee} \times \frac{\text{Number of days of eligible service period in the expenditure year}}{\text{Total number of days of the eligible service period}}$$

$$\$6,000 \times \frac{30}{365} = \$493$$

In the following year Joseph can claim the balance of the \$6,000 prepayment (i.e., \$5,507) because that is the year in which the services are to be provided. The second and third year’s management fees are calculated using the same method.

Detailed contents list

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Related Rulings/Determinations:

TR 92/1; TR 92/20; TR 97/11;
TR 97/16; TR 98/22; TD 93/34;
IT 175; IT2001; PR 1999/95;

Subject references:

- carrying on a business
- commencement of business
- afforestation
- management fee expenses
- producing assessable income
- product rulings
- public rulings
- schemes and shams
- taxation administration
- tax avoidance
- tax benefits under tax avoidance schemes
- tax shelters
- tax shelters project

Legislative references:

- ITAA 1997 8-1
- ITAA 1997 25-25
- ITAA 1997 27-5
- ITAA 1997 27-30
- ITAA 1997 subdivision 960-Q
- ITAA 1997 960-335
- ITAA 1997 960-340
- ITAA 1997 960-345
- ITAA 1997 960-350
- ITAA 1936 82KH
- ITAA 1936 82KL
- ITAA 1936 82KZM
- ITAA 1936 82KZMA
- ITAA 1936 82KZMB
- ITAA 1936 82KZMC
- ITAA 1936 82KZMD
- ITAA 1936 Pt IVA
- ITAA 1936 177A
- ITAA 1936 177C
- ITAA 1936 177D

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