



PR 2000/96 - Income tax: Queensland Paulownia Forests Project No 4

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 This document has changed over time. This is a consolidated version of the ruling which was published on *6 September 2000*



Product Ruling

Income tax: Queensland Paulownia Forests Project No 4

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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.

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 Queensland Paulownia Forests Project No 4, 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 17-5 (ITAA 1997);
 - Division 27 (ITAA 1997);
 - Division 35 (ITAA 1997);
 - Section 82KL of the *Income Tax Assessment Act 1936* ('ITAA 1936');
 - Section 82KZL (ITAA 1936);
 - Section 82KZM (ITAA 1936);
 - Section 82KZMA-82KZMF (ITAA 1936); and
 - Part IVA (ITAA 1936).

Goods and Services Tax

3. In this Ruling all fees and expenditure referred to include Goods and Services Tax ('GST') where applicable. In order for an entity (referred to in this Ruling as a Grower) to be entitled to claim input tax credits for the GST included in its expenditure, it must be registered, or required to be registered for GST and hold a valid tax invoice.

Business Tax Reform

4. The Government is currently evaluating further changes to the tax system in response to the *Ralph Review of Business Taxation* and continuing business tax reform is expected to be implemented over a number of years. Although this Ruling deals with the laws enacted at the time it was issued, future tax changes may affect the operation of

those laws and, in particular, the tax deductions that are allowable. Where tax laws change, those changes will take precedence over the application of this Ruling, and to that extent, this Ruling will be superseded.

5. Taxpayers who are considering investing in the Project are advised to confirm with their taxation adviser that changes in the law have not affected this Product Ruling since it was issued.

Note to promoters and advisers

6. 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 Tax Office suggests that promoters and advisers ensure that potential investors are fully informed of any changes in tax laws that take place after the Ruling is issued. Such action should minimise suggestions that potential investors have been negligently or otherwise misled.

Class of persons

7. 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 these persons are referred to as 'Growers'.

8. 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

9. The Commissioner rules on the precise arrangement identified in this 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

11. This Ruling applies prospectively from 6 September 2000, 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).

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 2003. 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 material difference in the arrangement or in the persons' involvement in the arrangement.

Previous ruling

14. This Arrangement is also covered by PR 1999/100. That Product Ruling will continue to apply to investors who entered the Project between 17 November 1999 and 30 June 2000. PR 1999/100

does not apply to investors who applied after 30 June 2000 and is withdrawn on the date this Ruling is made.

Arrangement

15. Following the receipt of an application from Queensland Paulownia Forests Ltd (QPFL), PR 1999/100 issued in respect of Queensland Paulownia Forest Project No 4 on 17 November 1999. That Product Ruling covers investors who joined the Project between 17 November 1999 and 30 June 2000. Prior to 18 August 2000, the date on which the Prospectus expired, QPFL sought and was granted relief by the Australian Securities & Investments Commission (ASIC) to extend the Prospectus period to 13 September 2000. Documents, or relevant parts of them as the case may be, identified in PR 1999/100 form part of this arrangement.

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

- Application for a Product Ruling from Queensland Paulownia Forests Ltd dated 19 August 1999 in respect of Queensland Paulownia Forests Ltd Project No.4;
- Prospectus issued by Queensland Paulownia Forests Ltd, dated 13 August 1999;
- Constitution of Queensland Paulownia Forests Ltd Project No.4 dated 16 March 1999, incorporating the Supplementary Constitution, dated 10 August 1999 ('the Constitution');
- Compliance Plan for the Queensland Paulownia Forests Ltd Project No.4 ('the Compliance Plan');
- **Farming Agreement** between Queensland Paulownia Forests Ltd and the Grower;
- **Finance Agreement** between Queensland Paulownia Forests Ltd and the Grower;
- **Plantation and Maintenance Agreement** between Queensland Paulownia Forests Ltd and the Grower;
- Term Sheet detailing terms in respect of a Personal Loan Facility from a nominated major bank;
- Letter of Agreement between nominated Finance Group and Queensland Paulownia Forests Ltd, dated 27/4/99;
- Consumer Credit Application for a personal loan from a nominated major bank;

- Draft Lease between Queensland Forestry Holdings Pty Ltd and Australian Rural Group Ltd;
- Draft Sub-Lease between Australian Rural Group Ltd and Queensland Paulownia Forests Ltd;
- Draft Sub-Lease between Queensland Forestry Holdings Pty Ltd and Queensland Paulownia Forests Ltd;
- Letter from Queensland Paulownia Forests Ltd dated 13 October 1999;
- Application for an amended Product Ruling from Queensland Paulownia Forests Ltd dated 15 August 2000 in respect of Queensland Paulownia Forests Ltd Project No.4;
- Letter from the Australian Securities & Investments Commission dated 14 August 2000 granting relief to extend the prospectus period;
- Second Supplementary Prospectus issued by Queensland Paulownia Forests Ltd, dated 11 August 2000;
- The Forester's and Marketing Reports contained in the Prospectus dated 13 August 1999 issued by Queensland Paulownia Forests Ltd; and
- Records of phone conversations dated 25 August 2000 between the Australian Taxation Office, the Promoter and the Project's solicitor.

NOTE: certain information received from Queensland Paulownia Forests Limited has been provided on a commercial-in-confidence basis and will not be disclosed or released under Freedom of Information legislation.

17. The documents highlighted are those that Growers enter into. There are no other agreements, whether formal or informal, and whether or not legally enforceable, which a Grower, or any associate of a Grower, will be a party to, which are part of the arrangement to which this Ruling applies.

Overview

18. This arrangement is called the Queensland Paulownia Forests Project No 4.

Location	“Austin Downs” Surat
Type of business each participant is carrying on	Commercial growing, and cultivation of Paulownia trees for the purpose of harvesting and selling timber.
Number of Woodlots on offer	6,000
Minimum number of Woodlots per application	2
Number of hectares available	1,200 hectares
Size of each Woodlot	0.2 hectares
Number of trees per Woodlot	52
Expected production	21 cubic metres of rough sawn timber or 32 cubic meters of timber in a round log form per Woodlot
Incentive fee	Responsible Entity will be entitled to 1/3 of revenue of timber yield in excess of the Projected Yield
The term of the investment	Until 30 June 2011.
Initial cost	\$4,995 per Woodlot
Initial cost per hectare	\$24,975
Ongoing costs	Management and Licence Fees.

19. Growers entering into the Project will enter into a Farming Agreement that gives them a licence over an area of land called a ‘Woodlot’. The Land Owner (Queensland Forestry Holdings Pty Ltd) leases the land, at ‘Austin Downs’, Surat, to Australian Rural Group Ltd who subleases the land to QPFL who grants a licence to the Growers. The Growers will also enter into a Plantation and Maintenance Agreement with QPFL to have certain paulownia trees (*Paulownia fortunei*) planted on the Woodlot for the purpose of eventual felling and sale in approximately eight years.

20. There are 6,000 Woodlots on offer of 0.2 hectares each at a cost of \$4,995 per Woodlot. A Grower must apply for a minimum of 2 Woodlots. The total land area for the Project will be 1,200 hectares although QPFL has the right to accept over subscriptions. A minimum of 52 trees per Woodlot (260 per hectare) will be planted in the first 13 months following execution of the Plantation and Maintenance Agreement. Possible projected returns for Growers are outlined on pages 17 and 18 of the Prospectus. The projected returns depend on a range of assumptions and QPFL does not give any assurance or guarantee whatsoever in respect of the future success of or financial returns associated with entering into the Plantation and

Maintenance Agreements being offered pursuant to the Prospectus. Based on the example set out on page 17 of the Prospectus, a Grower could expect to achieve an internal rate of return of 16.71% or net profit of \$14,483 per Woodlot. Growers execute a power of attorney enabling QPFL to act on their behalf as required when they make an application for Woodlots.

Farming Agreement

21. The Farming Agreement is entered into between QPFL and the Grower for each Woodlot. Growers are granted a licence to use their Woodlot for the purpose of conducting their afforestation business (cl 2.1). The Grower does not have a right of exclusive occupation of the Woodlot (cl 2.2). The Growers must pay QPFL a Licence Fee of \$150 per Woodlot per annum (cl 6). This fee is indexed annually. The Manager must apply the Licence Fee to payment of rent under the sublease. The term of the Agreement is either until 30 June 2011 or until Harvesting and Milling of all trees has been completed, whichever is the earlier (cl 3.1). The Agreement is subject to the terms of the Constitution.

Plantation and Maintenance Agreement

22. A Plantation and Maintenance Agreement is entered into between QPFL and the Grower for each Woodlot. The term of the Agreement is either until 30 June 2011 or until Harvesting and Milling of all trees has been completed, whichever is the earlier (cl 3.1).

23. Growers contract with QPFL to establish and maintain the plantation until maturity for an annual fee. During the first 13 months, QPFL will be responsible for planting *Paulownia fortunei* on the Woodlot. From this period on, QPFL will maintain the trees in accordance with good silvicultural practice. The services to be provided by QPFL over the term of the Project are outlined in clause 4 of the Plantation and Maintenance Agreement. Growers may elect to collect their own Timber Attributable to their Woodlots (cl 9.1) or QPFL will sell the Timber Attributable to the Woodlots on the Grower's behalf, for the best possible commercial price (cl 6.2). Harvesting and Milling of Trees will take place between 30 June 2007 and 31 December 2007 or at another time as determined by QPFL (cl 5).

24. Growers who do not elect to collect their own Timber will have the gross proceeds of sale of the Timber Attributable to their Woodlots paid to the Responsible Entity in its capacity as Custodian of the project. The Responsible Entity will retain from the payment the Grower's proportional interest of the Harvesting and Milling costs, other costs of sale, any outstanding fees owing by the Grower and the

marketing fee. After payment of these expenses, the Responsible Entity will account to the Grower and pay the Grower his share of the gross proceeds of sale.

Constitution

25. The Constitution is between QPFL, in its capacity as the Responsible Entity, and Growers. QPFL also acts as Custodian for the project, and holds all Project Property. The Constitution sets out the terms and conditions under which QPFL agrees to act for the Growers and under which QPFL agrees to manage the Project. Growers are bound by the Constitution by virtue of their participation in the Project. QPFL keeps a register of Growers. Growers are entitled to assign the Plantation and Maintenance Agreement in certain circumstances (cl 18). The Farming Agreement and the Plantation and Maintenance Agreement must be entered into by Applicants signing the Application and Limited Power of Attorney Form in the prospectus.

Fees

26. The fees payable under clause 10 of the Plantation and Maintenance Agreement are:

- (i) \$4,845 per Woodlot for the services provided in the first 13 months;
- (ii) \$175 per Woodlot per annum (indexed) commencing and payable 13 months after allocation of the Grower's Woodlot;
- (iii) an incentive fee calculated to be the gross sale proceeds of the Grower's timber multiplied by 1/3 of the amount of timber actually produced from the Woodlot over and above those estimates in the Prospectus for the Project;
- (iv) a marketing fee of not more than 5% of the gross proceeds generated from the sale of Timber Attributable to the Grower's Woodlot where QPFL sells on the Grower's behalf.

27. The fee payable under clause 6 of the Farming Agreement is a Licence Fee of \$150 per Woodlot per annum (indexed) commencing and payable on allocation of the Grower's Woodlot.

28. The Responsible Entity will hold the application moneys in an application account to be released when certain specified criteria in the Constitution have been met (cl 15).

Finance

29. Growers can fund their investment in the Project themselves, borrow from QPFL, or borrow from a nominated major bank through finance organised through a nominated finance group.

30. Finance arrangements organised directly by a Grower with independent lenders are outside the arrangement to which this Ruling applies.

31. Where a Grower borrows from QPFL, five finance options are offered:

- (a)
 - (i) \$500.00 per Woodlot upon signing of the Agreement (“first payment”); and
 - (ii) \$4,495.00 within 30 days (second payment) (the effective annual percentage rate of interest is 0%);
- (b)
 - (i) \$2,500.00 per Woodlot upon signing of the Agreement (“first payment”); and
 - (ii) \$2,670.00 within 60 days (second payment) (the effective annual percentage rate of interest is 7%);
- (c)
 - (i) \$500.00 per Woodlot upon signing of the Agreement (“first payment”);
 - (ii) Twelve monthly investments of \$180.32 per Woodlot commencing 30 days from the signing of the agreement; and
 - (iii) A further payment of \$2,500.00 per Woodlot within 60 days upon the signing of the agreement (the effective annual percentage rate of interest is 11%);
- (d)
 - (i) \$500.00 per Woodlot upon signing of the Agreement (“first payment”); and
 - (ii) Twelve monthly investments of \$397.28 per Woodlot commencing 30 days from the signing of the agreement (the effective annual percentage rate of interest is 11%);
- (e)
 - (i) \$500.00 per Woodlot upon signing of the Agreement (“first payment”); and
 - (ii) 24 monthly investments of \$211.60 per Woodlot commencing 30 days from the signing of the agreement (the effective annual percentage rate of interest is 12%).

32. Clause 3.2 of the Finance Agreement provides, in respect of an Investment Option that involves payment of monthly instalments, that the first such instalment is due one month from the date of the Agreement, with subsequent instalments due monthly after that first due date.

33. Clause 5 of the Finance Agreement sets out the Lender's rights on default.

34. QPFL has funds to lend to Growers. QPFL will have full recourse to the Borrower's assets should the Borrower (Grower) default, and it will pursue appropriate legal action against defaulting Growers. Funds borrowed from QPFL are paid direct to Application account, prior to a Grower being accepted into the Project. No round robin arrangements are involved and QPFL will substantially use these funds, subject to authorisation by the Custodian Committee, in carrying out its obligations under the Plantation and Maintenance Agreement.

35. Where Growers borrow from a nominated major bank organised through a nominated finance group, they will be subject to the terms and conditions in respect of a personal loan facility as set out in the Term Sheets provided by the Applicant. The loans facilitated through the Finance Group will be on normal commercial terms; they will be both in form and substance, full recourse, and borrowers will be obliged to make the regular repayments regardless of any income being derived from the Project. Interest will accrue monthly or fortnightly in arrears. Funds borrowed will be paid direct to QPFL's Applicant account prior to a Grower being accepted into the Project.

36. 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;
- there are indemnity arrangements or other collateral agreements in relation to the loan designed to limit the borrower's risk;
- 'additional benefits' are or will be granted to the borrowers for the purpose of section 82KL or the funding arrangements transform the Project into a 'scheme' to which Part IVA may apply;
- the loan or rate of interest is non-arm's length;
- repayments of the principal and payments of interest are linked to the derivation of income from the Project;
- 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, directly or indirectly) back to the lender, or any associate of the lender;

- lenders do not have the capacity under the loan agreement, or a genuine intention, to take legal action against defaulting borrowers; or
- entities associated with the Project, other than QPFL, are involved or become involved, in the provision of finance to Growers for the Project.

Ruling

Assessable Income

37. A Grower's share of the gross sales proceeds from the Project, less any GST payable on these proceeds, will be assessable income under section 6-5 ITAA 1997. Section 17-5 ITAA 1997 excludes from assessable income an amount relating to GST payable on a taxable supply.

Section 8-1

38. Expenditure incurred by a Grower who participates in this Project that is otherwise deductible under 8-1 falls within subsections 82KZME(9), (10) and (11). Such expenditure is an exception (Exception 5) to the prepayment rules contained in sections 82KZME and 82KZMF. The amount and timing of tax deductions of such expenditure for a Grower who participates in the Project is therefore, determined under section 82KZM where the Grower is a 'small business taxpayer', or under sections 82KZMA-82KZMD where the Grower is NOT a 'small business taxpayer'.

Tax deductions for a Grower who is a 'small business taxpayer'

Deductions where a Grower is not registered nor required to be registered for GST

39. A Grower may claim the tax deductions shown in the Table below where the Grower:

- is a 'small business taxpayer';
- participates in the Project by 13 September 2000 in order to carry on the business of afforestation;
- incurs the fees shown in paragraphs 26 and 27; and
- is not registered nor is required to be registered for GST.

Fee Type	ITAA 1997 Section	Year ended 30 June 2001	Year ended 30 June 2002	Year ended 30 June 2003
Plantation & Maintenance Fees	Section 8-1	\$4,845 – See Note (i) below	\$175 (indexed) – See Note (i)	\$175 (indexed) – See Note (i)
Licence Fee	Section 8-1	\$150 – See Note (i) below	\$150 (indexed) – See Note (i)	\$150 (indexed) – See Note (i)
Interest	Section 8-1	As incurred – Note (ii) below	As incurred – See Note (ii)	As incurred – See Note (ii)

Notes:

- (i) Where a Grower incurs the Plantation and Maintenance Fee, the Annual Maintenance Fee, and the Licence Fee as required respectively by the Plantation and Maintenance Agreement and the Farming Agreement, those fees are deductible in full in the year incurred. However, if a Grower **chooses** to prepay fees for the doing of things (e.g., the provision of planting and maintenance services) that will not be wholly done within 13 months of the fees being incurred, then the prepayments rules in section 82KZM of the ITAA may apply to apportion those fees. In such cases, the tax deduction for the prepaid fee **MUST** be determined using the formula shown in paragraphs 66 to 71 unless the expenditure is ‘excluded expenditure’. ‘Excluded expenditure’, being expenditure of less than \$1,000, is an ‘exception’ to the prepayment rules and is deductible in full in the year in which it is incurred.
- (ii) The deductibility or otherwise of interest arising from agreements that Growers enter into with financiers other than QPFL is outside the scope of this Ruling. However, Growers who are ‘small business taxpayers’ and who finance their participation in the Project other than with QPFL should read carefully the discussion of the prepayment rules in paragraphs 66 to 71 below as those rules may be applicable if interest is prepaid for a period exceeding 13 months.

Deductions where a Grower is registered or is required to be registered for GST

40. Where a Grower who is registered or is required to be registered for GST:

- is a ‘small business taxpayer’;

- participates in the Project by 13 September 2000 in order to carry on the business of afforestation;
- incurs the fees shown in paragraphs 26 and 27; and
- is entitled to an input tax credit for the fees,

then the tax deductions shown in the Table above will exclude any amounts of input tax credit (Division 27 of the ITAA). See Example 1 at paragraph 102.

Tax deductions for a Grower who is NOT a ‘small business taxpayer’

Deductions where a Grower is not registered nor required to be registered for GST

41. A Grower may claim tax deductions using the methods or amounts shown in paragraphs 42 to 48 below where the Grower:

- is not a ‘small business taxpayer’;
- participates in the Project by 13 September 2000 in order to carry on the business of afforestation;
- incurs the fees shown in paragraph 26 and 27; and
- is not registered nor is required to be registered for GST.

42. A Grower who is NOT a ‘small business taxpayer’ cannot claim the \$4,845 Plantation and Maintenance Fee in full in the year ended 30 June 2001 (that is in the year in which the fee is incurred). The deduction must be determined using the formula in subsection 82KZMB(3) (shown below). This formula apportions the tax deduction over the 13 month ‘eligible service’ period that the prepaid planting and maintenance services are to be provided.

\$4,845 X Number of days of eligible service period in the expenditure year

Total number of days of eligible service period

43. Because of the operation of the capping provisions in section 82KZMC, there is no additional deductible amount from the Table in subsection 82KZMB(5) for the year ended 30 June 2001. The balance of the Plantation and Maintenance Fee is deductible in the year ended 30 June 2002.

44. QPFL must provide the Grower with the number of days of eligible service period for the income year ended 30 June 2001. This figure is necessary to calculate the Grower’s tax deduction for both

the income year ended 30 June 2001 and the income year ended 30 June 2002.

45. The Annual Maintenance Fee and the annual Licence Fee, being amounts of less than \$1,000, constitute 'excluded expenditure' and both are deductible in full in the year in which they are incurred. However, if a Grower who is NOT a 'small business taxpayer' acquires more than the minimum two Woodlots, the quantum of either or both of these fees may be \$1,000 or more. Where this occurs the Grower must determine the tax deduction allowable using the subsection 82KZMB(3) formula in paragraph 42.

46. A Grower who chooses to prepay the Annual Maintenance Fee and/or the annual Licence Fee other than yearly as is required under the relevant agreements, should read carefully the information shown in paragraphs 75-81 below. The tax deductions for prepaid fees with an 'eligible service period' exceeding 13 months must be determined using the formula shown in paragraph 81 unless the expenditure is 'excluded expenditure'.

47. A Grower who is NOT a 'small business taxpayer' and who finances participation in the Project using one of the five options offered by QPFL and described in paragraph 31 above is not required to prepay interest. The interest incurred is therefore deductible in full in the year in which it is incurred.

48. The deductibility or otherwise of interest arising from agreements that Growers enter into with financiers other than QPFL is outside the scope of this Ruling. However, Growers who are NOT 'small business taxpayers' and who finance their participation in the Project other than with QPFL should read carefully the discussion of the prepayment rules in paragraphs 75 to 81 below as those rules may be applicable if interest is paid in respect of a period that is not wholly within the year in which the interest is incurred.

Deductions where a Grower is registered or is required to be registered for GST

49. Where a Grower who is registered or is required to be registered for GST:

- is NOT a 'small business taxpayer';
- participates in the Project by 13 September 2000 to carry on the business of afforestation;
- incurs the fees shown in paragraphs 26 and 27; and
- is entitled to an input tax credit for the fees,

then the tax deductions shown in, or determined using the methods in paragraphs 41-48 above will exclude any amounts of input tax credit (Division 27 of the ITAA). See Example 1 at paragraph 102.

Section 35-55 – Losses from non-commercial business activities

50. For a Grower who is an individual and who enters the Project during the year ended 30 June 2001 the rule in section 35-10 may apply to the business activity comprised by his/her involvement in this Project. Under paragraph 35-55(1)(b) the Commissioner will decide for the income years ending 30 June 2001 to 30 June 2003 that the rule in section 35-10 does not apply to this activity provided that the Project is carried out in the manner described in this Ruling.

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

- the ‘Exception’ in subsection 35-10(4) applies (see paragraph 90 in the Explanations part of this ruling, below); or
- a Grower’s business activity satisfies one of the objective tests in sections 35-30, 35-35, 35-40 or 35-45.

52. 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 his/her 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.

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

53. For a Grower who participates in the Project and incurs expenditure as required by the Plantation and Maintenance Agreement and the Farming Agreement, the following provisions of the ITAA 1936 have application as indicated:

- expenditure by a Grower who is a ‘small business taxpayer’ does not fall within the scope of section 82KZM (but see paragraph 70);
- expenditure by a Grower who is not a ‘small business taxpayer’ falls within sections 82KZMB-82KZMD as described;

- section 82KZMB applies to expenditure by a Grower who is not a 'small business taxpayer' (but see paragraph 81);
- section 82KL does not apply to deny the deductions otherwise allowable; 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.

Explanations

Section 8-1

54. It is appropriate, as a starting point, to consider whether the fees payable under the Plantation and Maintenance Agreement and the Farming Agreement are deductible under paragraph 8-1(1)(a). This consideration 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 outgoing is not deductible under paragraph 8-1(1)(b) if it is incurred when the business has not commenced; and
- where taxpayers contractually commit themselves 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 paragraph 8-1(1)(b) applies. However, that does not preclude the application of paragraph 8-1(1)(a) in determining whether the outgoing in question would have a sufficient connection with activities to produce assessable income of the taxpayer.

Is the Grower carrying on a business?

55. 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 assessable income under section 6-5. 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.

56. 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.

57. For this Project Growers have, under the Farming Agreement, rights in the form of a licence in respect of an identifiable area of land consistent with the intention to carry on a business of growing trees. Under the Plantation and Maintenance Agreement Growers appoint QPFL, as Manager, to provide services such as planting, cultivating, tending, culling, pruning, fertilising, replanting, spraying, maintaining and otherwise caring for the Trees (cl 2). Growers control their investment. The specific cost of these services provided in the first thirteen months, together with the Licence Fee, will total \$4,995. Growers may either collect the Timber Attributable to their Woodlots and arrange for its sale or they may arrange for QPFL to appoint a Marketing Agent to arrange for the marketing and sale of the timber for a fee of 5% of the gross sale proceeds.

58. The Farming Agreement gives Growers more than a chattel interest in the timber when harvested. The Project documentation contemplates Growers will have an ongoing interest in the growing trees. Though a legal interest in the land may not arise there is an interest in the nature of a profit a prendre, which coupled with the licence, confers an equitable interest in the trees in question upon the Grower.

59. Growers have the right to use the land in question for afforestation purposes and to have QPFL come onto the land to carry out its obligations under the Plantation and Maintenance Agreement and the Farming Agreement. The Growers' degree of control over QPFL as evidenced by the Agreements, and supplemented by the Corporations Law, is sufficient. Under the Project, Growers are entitled to receive regular progress reports on QPFL's activities. Growers are able to terminate arrangements with QPFL in certain instances, such as cases of default or neglect. The afforestation activities described in the Plantation and Maintenance Agreement are carried out on the Growers' behalf.

60. 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 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 in its calculation on the fees in question being allowed as a deduction.

61. 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.

62. 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. The Growers' afforestation activities will constitute the carrying on of a business.

63. The fees associated with the Project have a direct connection with the operations of the afforestation activities which give rise to the assessable income. It is therefore accepted that they are incurred in gaining or producing the assessable income and will thus be deductible under 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 exclusions do not apply.

Sections 82KZME and 82KZMF

64. Unless one of the statutory exceptions applies, if the requirements of section 82KZME are met, section 82KZMF operates to set the amount and timing of deductions for expenditure that a taxpayer incurs in a year of income. Effectively, these provisions apportion the allowable tax deductions over the period during which the prepaid benefits will be provided.

65. This Product Ruling is issued in response to an application received by the Commissioner on or before 1pm (by legal time in the Australian Capital Territory) on 11 November 1999. Therefore, the Project is an arrangement to which Exception 5 (subsections 82KZME(9), (10) and (11)) applies. Because Exception 5 applies, sections 82KZME and 82KZMF do not apply to set the amount and timing of expenditure incurred by Growers who participate in the Project. Expenditure incurred by a Grower for the doing of a thing not to be wholly done within the expenditure year will therefore, be determined under section 82KZM (for a 'small business taxpayer') or sections 82KZMA – 82KZMD (for a taxpayer who is NOT a 'small business taxpayer').

Section 82KZM - Growers who are ‘small business taxpayers’

66. Section 82KZM operates to spread over more than one income year a deduction for prepaid expenditure 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. The term ‘small business taxpayer’ is explained below in paragraphs 72 to 74.

67. The Plantation and Maintenance Fee of \$4,845 per Woodlot will be incurred on execution of the Plantation and Maintenance Agreement. This fee is charged for providing services to a Grower in the first 13 months of the Project. The fee is expressly stated to be for a number of specified services. 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.

68. There is also no evidence that might suggest the services covered by the fee could not be provided within 13 months of the expenditure in question being incurred. Thus, for the purposes of this Ruling, it can be accepted that no part of the initial fee is for the Manager doing ‘things’ that are not to be wholly done after the day on which the fee is incurred. On this basis, the basic precondition for the operation of section 82KZM is not satisfied and it will not apply to the expenditure. The Plantation and Maintenance Fee is therefore deductible in full in the year it is incurred by a Grower who is a ‘small business taxpayer’.

69. A Grower who is a ‘small business taxpayer’ also incurs expenditure on Annual Maintenance Fees and annual Licence Fees. These fees of \$175 (indexed) and \$150 (indexed) per Woodlot are incurred on or before the 30 June for maintenance services and for a licence for use of the land for the following 12 months. Therefore, the basic precondition for section 82KZM is also not satisfied for expenditure for these fees where they are paid annually as required by the relevant agreements. The Annual Maintenance Fee and the annual Licence Fee are therefore, deductible in full in the year in which a Grower who is a ‘small business taxpayer’ incurs them.

70. Although not required by either the Plantation and Maintenance Agreement or the Farming Agreement, some Growers who are ‘small business taxpayers’ may choose to prepay fees for periods longer than that required by the Agreements. Where a prepayment is incurred and the ‘eligible service period’ is greater than 13 months then, contrary to the conclusion reached above, unless the expenditure is ‘excluded expenditure’ section 82KZM will apply. ‘Excluded expenditure’, being expenditure of less than \$1,000 (subsection 82KZL(1)), is an exception to section 82KZM.

71. Where the 'eligible service period' exceeds 13 months the formula in paragraph 82KZM(1)(c) (shown below) is used to apportion the tax deduction over the period that the benefits relating to the prepaid fees are provided.

Period in year

Eligible service period

Where:

Period in year is the number of days in the whole or the part of the eligible service period in the year of income;

Eligible service period is the number of days in the eligible service period.

Subdivision 960-Q - Small business taxpayers

72. 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 his/her 'average turnover' for the year is less than \$1,000,000 or his/her turnover recalculated under section 960-350 is less than \$1,000,000.

73. '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).

74. Whether a Grower is a 'small business taxpayer' depends upon the 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'.

Section 82KZMA – 82KZMD - Growers who are NOT 'small business taxpayers

75. For a Grower who is NOT a 'small business taxpayer', 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.

76. 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 transitional treatment applies to prepayments initially incurred in the year ended 30 June 2001. Section 82KZMD governs the deductibility of prepayment expenditure where the eligible service period ends more than 13 months after the date the expenditure was occurred.

77. Under the Plantation and Maintenance Agreement the Plantation and Maintenance Fee is for services to be wholly done within 13 months of the fee being incurred. Therefore, the tax deduction available to a Grower for the Plantation and Maintenance Fee of \$4,845 will be determined in accordance with the rules contained in section 82KZMB and 82KZMC. The amount of the deduction available to Growers in the 'expenditure year' (that is, the year ended 30 June 2001) is determined using the formula in subsection 82KZMB(3) and the table in subsection 82KZMB(5).

78. However, section 82KZMB is subject to the capping provisions in section 82KZMC. For Growers who participate in the Project and incur the Plantation and Maintenance Fee in the year ended 30 June 2001, the 'later year amount' for the purposes of the table in subsection 82KZMB(5) is nil. Therefore, for the year ended 30 June 2001, the tax deduction for a Grower who is NOT a 'small business taxpayer' will be the amount determined using the formula in section 82KZMB(3) only. The balance of the tax deduction is then determined under subsection 82KZMC(4) using the formula in subsection 82KZMC(5). For Growers in this Project, the balance of the 13 month 'eligible service period' is in the year ended 30 June 2002, therefore the balance of the Plantation and Maintenance Fee is deductible in that year.

79. A Grower who is NOT a 'small business taxpayer' also incurs expenditure on Annual Maintenance Fees and annual Licence Fees. These fees of \$175 (indexed) and \$150 (indexed) per Woodlot are incurred on or before the 30 June for maintenance services and for a licence for use of the land for the following 12 months. Both fees constitute 'excluded expenditure' for a Grower who is allocated a minimum two Woodlots. 'Excluded expenditure' being expenditure of less than \$1,000, (subsection 82KZL(1)) is an exception to sections 82KZMB and 82KZMC. The Annual Maintenance Fee and the annual Licence Fee are therefore deductible in full in the year in which a Grower who is NOT a 'small business taxpayer' incurs them.

80. However, if a Grower who is NOT a 'small business taxpayer' acquires more than the minimum two Woodlots in the Project and the quantum of the Annual Maintenance Fee and/or the annual Licence

Fee is \$1,000 or more, then the amount and timing of the deduction allowable must be determined under sections 82KZMB and 82KZMC.

81. Although not required by either the Plantation and Maintenance Agreement or the Farming Agreement, some Growers who are NOT ‘small business taxpayers’ may choose to prepay fees for periods longer than that required by the Agreements. Where a prepayment is made and the ‘eligible service period’ is greater than 13 months then section 82KZMB and 82KZMC do not apply. Instead, unless the expenditure is ‘excluded expenditure’, section 82KZMD will apply to apportion the tax deduction over the period that the benefits relating to the prepaid fees are provided. The relevant formula contained in subsection 82KZMD(2) is:

Expenditure X Number of days of eligible service period in the year of income

Total number of days of eligible service period

Interest deductibility

Growers who use QPFL as the finance provider

82. Growers may finance their participation in the Project through one of 5 finance options offered by QPFL (see paragraph 31 above).

83. The interest incurred for the year ended 30 June 2001 and in subsequent years of income will be in respect of a loan to finance the Project business operations of afforestation and is therefore, directly connected with the gaining of ‘business income’ from the Project. Such interest will, therefore, have a sufficient connection with the gaining of assessable income to be deductible under section 8-1. As none of the 5 options offered by QPFL requires a Grower to prepay interest, section 82KZM or sections 82KZMA-82KZMD will not apply. The interest will be deductible in full in the year in which it is incurred.

84. However, a Grower who, contrary to the requirements of the 5 options offered by QPFL, chooses to prepay interest will be required to determine any tax deduction under section 82KZM (for a Grower who is ‘small business taxpayer’) or sections 82KZMA-82KZMD (for a Grower who is not a ‘small business taxpayer’) – see discussion above.

Growers who DO NOT use QPFL as the finance provider

85. The deductibility of interest incurred by Growers who finance their participation in the Project through a loan facility with a bank or financier other than QPFL is outside the scope of this Ruling. Product Rulings only deal with arrangements where all details and

documentation have been provided to, and examined by the Tax Office.

86. While the terms of any finance agreement entered into between relevant Growers and such financiers are subject to commercial negotiation, those agreements may require interest to be prepaid. Unless the prepaid interest is ‘excluded expenditure’, where such a loan facility requires interest to be prepaid, relevant Growers will be required to determine any tax deduction under section 82KZM (for a Grower who is ‘small business taxpayer’), or sections 82KZMA-82KZMD (for a Grower who is not a ‘small business taxpayer’) – see discussion above.

Division 35 - Losses from non-commercial business activities

87. Under the rule in subsection 35-10(2) a deduction for a loss incurred by an individual (including an individual in a general law partnership) from certain business activities will not be allowable in an income year unless:

- the ‘Exception’ in subsection 35-10(4) applies;
- one of four objective tests in sections 35-30, 35-35, 35-40 or 35-45 is met; or
- if one of the objective tests is not satisfied, the Commissioner exercises the discretion in section 35-55.

88. Generally, a loss in this context is, for the income year in question, the excess of an individual taxpayer’s allowable deductions attributable to the business activity over that taxpayer’s assessable income from the business activity.

89. Losses that cannot be claimed as a tax deduction because of the rule in subsection 35-10(2) are able to be offset to the extent of future profits from the business activity, or are quarantined until one of the objective tests is passed.

90. For the purposes of applying the objective tests, subsection 35-10(3) allows taxpayers to group business activities ‘of a similar kind’. Under subsection 35-10(4), there is an ‘Exception’ to the general rule in subsection 35-10(2) where the loss is from a primary production business activity and the individual taxpayer has other assessable income for the income year from sources not related to that activity, of less than \$40,000 (excluding any net capital gain). As both subsections relate to the individual circumstances of Growers who participate in the Project, they are beyond the scope of this Product Ruling and are not considered further.

91. In broad terms, the objective tests require:

- (a) at least \$20,000 of assessable income in that year from the business activity (section 35-30);
- (b) the business activity results in a taxation profit in 3 of the past 5 income years (including the current year) (section 35-35);
- (c) at least \$500,000 of real property is used on a continuing basis in carrying on the business activity in that year (section 35-40); or
- (d) at least \$100,000 of certain other assets are used on a continuing basis in carrying on the business activity in that year (section 35-45).

92. A Grower who participates in the Project will be carrying on a business activity that is subject to these provisions. Information provided with the application for this Product Ruling indicates that a Grower who acquires the minimum investment of one interest in the Project is unlikely to pass one of the objective tests until the income year ended 30 June 2009. Growers who acquire more than one interest in the Project may however, pass one of the tests in an earlier income year.

93. Therefore, prior to this time, unless the Commissioner exercises an arm of the discretion under paragraphs 35-55(1)(a) or (b), the rule in subsection 35-10(2) will apply to defer to a future income year any loss that arises from the Grower's participation in the Project.

94. The first arm of the discretion in paragraph 35-55(1)(a) relates to 'special circumstances' applicable to the business activity, and has no relevance for the purposes of this Product Ruling. However, for an individual Grower who acquires an interest(s) in the Project, the Commissioner will decide that it would be unreasonable not to exercise the second arm of the discretion in paragraph 35-55(1)(b) for the term of this Product Ruling.

95. The second arm of the discretion in paragraph 35-55(1)(b) may be exercised by the Commissioner where:

- (i) the business activity has started to be carried on; and
- (ii) there is an objective expectation that the business activity of an individual taxpayer will either pass one of the objective tests or produce a taxation profit within a period that is commercially viable for the industry concerned.

96. This Product Ruling is issued on a prospective basis (i.e., before an individual Grower's business activity starts to be carried on). Therefore, if the Project fails to be carried on during the income years specified above, in the manner described in the Arrangement, the Commissioner's discretion will not have been exercised, because

one of the key conditions in paragraph 35-55(1)(b) will not have been satisfied.

97. In deciding that the second arm of the discretion in paragraph 35-55(1)(b) will be exercised on this conditional basis, the Commissioner has relied upon:

- the reports of the independent forester, the independent marketing consultant and additional expert evidence provided with the application by the Responsible Entity;
- independent, objective, and generally available information relating to the afforestation industry which substantially supports cash flow projections and other claims, including prices and costs, in the Product Ruling application submitted by the Responsible Entity.

Section 82KL

98. 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 QPFL 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 deduction otherwise allowable under section 8-1.

Part IVA

99. For Part IVA 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).

100. The Queensland Paulownia Forests Project No 4 will be a 'scheme'. A Grower will obtain a 'tax benefit' from entering into the scheme, in the form of the deduction for the amounts detailed above, 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 obtaining this tax benefit.

101. 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. There are no facts that would suggest that Growers have the opportunity of obtaining a tax advantage other than the tax advantages identified in this Ruling. There is no non-recourse financing or round robin characteristics, and no indication that the parties are not dealing with each other at arm's length, or, if any parties are not at arm's length, that any adverse tax

consequences result. Further, having regard to the factors to be considered under paragraph 177D(b) it cannot be concluded, on the information available, that participants will enter into the scheme for the dominant purpose of obtaining a tax benefit.

Example

Example 1 – Entitlement to ‘input tax credit’

102. Margaret, who is registered for GST, invests in the Green Circle Bluegums Project. The management fees are payable on 1 July each year for management services to be provided over the following 12 months. On 1 July 2000 Margaret pays her first year’s management fees of \$5,500 and is eligible to claim a tax deduction for the fees in the income year ended 30 June 2001. The extent of her deduction for the management fees however, is reduced by the amount of any ‘input tax credit’ to which she is entitled. The Project Manager provides Margaret with a ‘tax invoice’ showing its ABN and the ‘value of the taxable supply’ for management services as \$5,500. Using the details shown on the valid tax invoice, Margaret calculates her input tax credit as:

$$1/11 \times \$5,500 = \$500$$

103. Therefore, the tax deduction for management fees that she can claim in her income tax return for the year ended 30 June 2001 is \$5,000 (\$5,500 less \$500).

Detailed contents list

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Commissioner of Taxation

6 September 2000

<i>Previous draft</i>	- ITAA 1936 82KZMC
Not previously issued in draft form	- ITAA 1936 82KZMD
	- ITAA 1936 82KZME
<i>Related Rulings/Determinations:</i>	- ITAA 1936 82KZMF
PR 1999/100; PR 1999/95; TR 92/1;	- ITAA 1936 177A
TR 92/20; TR 97/11; TR 97/16;	- ITAA 1936 177C
TR 98/22; TD 93/34;	- ITAA 1936 177D
	- ITAA 1936 Pt IVA
<i>Subject references:</i>	- ITAA 1997 8-1
- afforestation expenses	- ITAA 1997 8-1(1)(a)
- carrying on a business	- ITAA 1997 8-1(1)(b)
- commencement of business	- ITAA 1997 17-5
- management fees expenses	- ITAA 1997 27-5
- product rulings	- ITAA 1997 27-30
- public rulings	- ITAA 1997 35-10(2)
- producing assessable income	- ITAA 1997 35-10(4)
- schemes and shams	- ITAA 1997 35-30
- tax avoidance	- ITAA 1997 35-35
- tax benefits under tax avoidance	- ITAA 1997 35-40
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- tax shelters	- ITAA 1997 35-55
- tax shelters project	- ITAA 1997 35-55(1)(a)
- taxation administration	- ITAA 1997 35-55(1)(b)
	- ITAA 1997 35-55(2)
<i>Legislative references:</i>	- ITAA 1997 960-335
- ITAA 1936 82KL	- ITAA 1997 960-340
- ITAA 1936 82KM	- ITAA 1997 960-345
- ITAA 1936 82KZL	- ITAA 1997 960-350
- ITAA 1936 82KZMA(3)(c)	
- ITAA 1936 82KZMA	
- ITAA 1936 82KZMB	

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