


PR 2003/23A2 - Addendum - Income tax: Guilderton Olives Stage 2

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Addendum

Product Ruling

Income tax: Guilderton Olives Stage 2

This Addendum amends Product Ruling PR 2003/23 to reflect changes to the simplified tax system legislation from the 2005-06 income year onwards.

PR 2003/23 is amended as follows:

1. Paragraph 2

Insert dot point:

- Division 328 of the *Income Tax (Transitional Provisions) Act 1997*;

2. Paragraph 55

After the paragraph insert:

55A. Changes to the STS rules apply from 1 July 2005. From that date, 'STS taxpayers' may use the accruals accounting method. For a Member participating in the Project, the recognition of income and the timing of tax deductions is different depending on whether the Member who was an 'STS taxpayer' prior to 1 July 2005 continues to use the cash accounting method (called the 'STS accounting method') – see sections 328-120 and 328-125 of the *Income Tax (Transitional Provisions) Act 1997*.

3. Paragraph 57

Omit the heading:

Tax outcomes for Growers who are not 'STS taxpayers'

substitute:

Tax outcomes for Growers who are not 'STS taxpayers' or who are 'STS taxpayers' using the accruals accounting method for the 2005-06 and later income years' after 'STS taxpayers

4. Paragraph 61

Insert the words:

or who is an 'STS taxpayer' using the accruals accounting method for the 2005-06 and later income years

after:

'STS taxpayers'

5. Paragraph 63

Omit the heading:

Tax outcomes for Growers who are 'STS taxpayers'

substitute:

Tax outcomes for Growers who are 'STS taxpayers' or 'STS taxpayers' using the cash accounting method for the 2005-06 and later income years

6. Paragraph 67

(a) Insert the words:

or an 'STS taxpayer' using the cash accounting method for the 2005-06 and later income years

after:

'STS taxpayer'

(b) In Note (vi) insert the words:

or an 'STS taxpayer' using the cash accounting method for the 2005-06 and later income years

after:

'STS taxpayer'

(c) In Note (vii) insert the words:

or an 'STS taxpayer' using the cash accounting method for the 2005-06 and later income years

after:

'STS taxpayer'

7. Paragraph 107

Omit the paragraph; substitute:

107. If the Grower is not an 'STS taxpayer' or is an 'STS taxpayer' using the accruals accounting method for the 2005-06 and later income years, the management fees and the lease fees are deductible in the year in which they are incurred.

8. Paragraph 108

Omit the paragraph; substitute:

108. If the Grower is an 'STS taxpayer' or an 'STS taxpayer' using the cash accounting method for the 2005-06 and later income years the management fees and the lease fees are deductible in the income year in which they are paid, or are paid for the Grower (paragraph 328-105(1)(b)). If any amount that is properly incurred in an income year remains unpaid at the end of that income year, the unpaid amount is deductible in the income year in which it is actually paid or is paid for the Grower.

This Addendum applies on and from 1 July 2005.

Commissioner of Taxation

28 June 2006

ATO references

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