

# ***PR 2004/71A - Addendum - Income tax: Treecorp Clearwood Project Stage 2***

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# Addendum

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## Product Ruling

### Income tax: Treecorp Clearwood Project Stage 2

This Addendum amends Product Ruling PR 2004/71 to reflect changes to simplified tax system legislation from 2005-06 onwards.

#### **PR 2004/71 is amended as follows:**

##### **1. Paragraph 53**

Replace the paragraph with:

53. To be an 'STS taxpayer' a Grower must be eligible to be an 'STS taxpayer' and must have elected to be an 'STS taxpayer'. Changes to the STS rules apply from 1 July 2005. From that date, STS taxpayers may use the accruals accounting method. For a Grower participating in the Project, the recognition of income and the timing of tax deductions under the STS where the Grower uses the cash accounting method is different.

##### **2. Paragraph 56**

Replace the paragraph with:

56. Other than Growers referred to in paragraph 57, a Grower is assessable on ordinary income from carrying on their business of afforestation in the income year in which that income is derived.

##### **3. Paragraph 57**

Replace the paragraph with:

57. A Grower who is an 'STS taxpayer' (for the 2004-05 income year) or an 'STS taxpayer' using the cash accounting method (for the 2005-06 income year and later years) is assessable on ordinary income from carrying on their business of afforestation at the time the income is received.

This Addendum applies on and from 1 July 2005.

Product Ruling

# PR 2004/71

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FOI status: **may be released**

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**Commissioner of Taxation**

19 October 2005

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ATO references

NO: 2003/11684

ISSN: 1441-1172

ATOlaw topic: Income Tax ~~ Product ~~ timber