


PR 2005/18A - Addendum - Income tax: Environinvest Beef Cattle Project 2005 - 2006 Graziers (from 1 July 2005)

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Addendum

Product Ruling

Income tax: Environinvest Beef Cattle Project 2005 – 2006 Graziers (from 1 July 2005)

This Addendum amends Product Ruling PR 2005/18 to reflect changes to simplified tax system legislation from 2005-06 onwards.

PR 2005/18 is amended as follows:

1. Paragraph 75

Replace the paragraph with:

75. To be an 'STS taxpayer' a Grazier 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 Grazier participating in the Project, the recognition of income and the timing of tax deductions where the Grazier uses the cash accounting method under the STS is different.

2. Paragraph 78

Replace the paragraph with:

78. Other than Graziers referred to in paragraph 79, a Grazier is assessable on ordinary income from carrying on their business of leasing, breeding, grazing and sale of beef cattle for profit in the income year in which that income is derived.

3. Paragraph 79

Replace the paragraph with:

79. A Grazier who is an 'STS taxpayer' using the cash accounting method is assessable on ordinary income from carrying on their business of leasing, breeding, grazing and sale of beef cattle for profit at in the income year in which that income is received.

4. Paragraph 84

Insert after '(who are not 'STS taxpayers)':

or 'STS taxpayers' using the accruals accounting method

5. Paragraph 85

Insert after '(who are not 'STS taxpayers)':

or 'STS taxpayers' using the accruals accounting method

6. Paragraph 86

Replace the paragraph with:

86. Graziers (who are 'STS taxpayers' using the cash accounting method) can also claim the deductions set out in paragraphs 84 and 85 in the years ending 30 June 2006 and 30 June 2007 and 2008, respectively. However, if, for any reason, any of these fees and expenses are not fully paid in the year in which they are incurred then these are only deductible to the extent to which these have been paid.

7. Paragraph 91

Insert after the sentence Graziers (who are not 'STS taxpayers)':

or 'STS taxpayers' using the accruals accounting method

8. Paragraph 93

Replace the paragraph with:

93. Interest deductions for Graziers (who are 'STS taxpayers' using the cash accounting method) are also limited to the amount paid by the Grazier in an income year.

This Addendum applies on and from 1 July 2005.

Commissioner of Taxation

16 November 2005

ATO references

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