


PR 2005/2 - Income tax: Rewards Group Teak Project 4 - 2006 Growers

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 This document has changed over time. This is a consolidated version of the ruling which was published on *12 January 2005*



Product Ruling

Income tax: Rewards Group Teak Project 4 – 2006 Growers

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Potential participants may wish to refer to the Tax Office website at www.ato.gov.au or contact the Tax Office directly to confirm the currency of this Product Ruling or any other Product Ruling that the Tax Office has issued.

Preamble

*The number, subject heading, **What this Product Ruling is about** (including **Tax law(s)**, **Class of persons** and **Qualifications** sections), **Date of effect**, **Withdrawal**, **Arrangement** and **Ruling** parts of this document are a 'public ruling' in terms of Part IVA 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 Tax Office **does not** sanction or guarantee this product. 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 participants 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 and how the product fits an existing portfolio. We recommend a financial (or other) adviser be consulted for such information.

This Product Ruling provides certainty for potential participants by confirming that the tax benefits set out 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, participants lose the protection of this Product Ruling. Potential participants may wish to seek assurances from the promoter that the arrangement will be carried out as described in this Product Ruling.

Potential participants should be aware that the Tax Office 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 'Rewards Group Teak Project 4 – 2006 Growers', or just simply as 'the Project'.

Tax law(s)

2. The tax laws 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);
 - Division 328 (ITAA 1997);
 - Section 82KL of the *Income Tax Assessment Act 1936* (ITAA 1936);
 - Section 82KZL (ITAA 1936);
 - Sections 82KZME to 82KZMG (ITAA 1936);
 - Division 6 (ITAA 1936); and
 - Part IVA (ITAA 1936).

Goods and Services Tax

3. All fees and expenditure referred to in this Ruling include the 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.

Changes in the Law

4. Although this Ruling deals with the laws enacted at the time it was issued, later amendments may impact on this Ruling. Any such changes will take precedence over the application of this Ruling and, to that extent, this Ruling will be superseded.

5. Taxpayers who are considering participating 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 participants in projects such as this. In keeping with that intention the Tax Office suggests that promoters and advisers ensure that participants are fully informed of any legislative changes after the Ruling is issued.

Class of persons

7. The class of persons to whom this Ruling applies is the persons more specifically identified in the Ruling part of this Product Ruling and who enter into the arrangement specified below on or after the date this Ruling is made. They will have a purpose of staying in the arrangement until it is completed (that is, 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 the 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. The Ruling will be withdrawn or modified.

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Date of effect

11. This Ruling applies prospectively from 12 January 2005 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 commenced 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 2007. 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 arrangement specified below. 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.

Arrangement

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

- Application for Product Ruling dated 5 October 2004, received 5 October 2004 and additional correspondence, including emails, received 12 October 2004, 27 October 2004, 8 November 2004, 19 November 2004, 22 November 2004, 23 November 2004, 16 December 2004 and 17 December 2004;
- Draft Product Disclosure Statement (PDS) for the Rewards Group Teak Project 4 to be issued by Rewards Projects Ltd ('Responsible Entity'), received 22 November 2004;
- Draft Constitutions for the Rewards Group Teak Project 4 and the Rewards Group Teak Land Trust, received 22 November 2004;

- Draft **Management Agreement** between Rewards Projects Ltd (the 'Manager') and the Grower, received 8 November 2004;
- Draft **Licence Agreement** between Rewards Projects Ltd and the Grower, received 22 November 2004;
- Draft Head Lease between Rewards Projects Ltd as the 'Responsible Entity' for the Rewards Group Teak Land Trust (the land owner) and Rewards Projects Ltd as 'Responsible Entity' for the Rewards Group Teak Project 4, received 8 November 2004;
- Draft **Terms Agreement** between Rewards Projects Ltd and the Grower, received 8 November 2004;
- Draft Plantation Management Plan, received 22 November 2004);
- Draft Operations Agreement between Rewards Projects Ltd and Rewards Management Pty Ltd (Manager), received 22 November 2004;
- Draft Compliance Plans for the Rewards Projects Teak Project 4 and the Rewards Group Teak Land Trust, received 5 October 2004;
- Draft **Application Form** for the Rewards Group Teak Project 4, received 23 November 2004; and
- Draft Teak Land Trust **Loan Agreement**, received 8 November 2004.

Note: certain information has been provided on a commercial-in-confidence basis and will not be disclosed or released under Freedom of Information legislation.

15. The documents highlighted are those that Growers may enter into. For the purposes of describing the arrangement to which this Ruling applies, 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 a part of the arrangement to which this Ruling applies.

16. All Australian Securities and Investment Commission (ASIC) requirements are, or will be, complied with for the term of the agreements. The effect of these agreements is summarised as follows.

Overview

17. This arrangement is called the Rewards Group Teak Project 4 – 2006 Growers. The salient features are as follows:

Location	Approximately 150km south of Cairns near Tully/Innisfail, Queensland
Type of business each participant is carrying on	Commercial growing and cultivation of <i>Tectona grandis</i> (Teak) for the purpose of producing timber.
Number of hectares offered for cultivation	400
Minimum allocation	1 Woodlot
Size of each Woodlot	0.2 hectares
Number of trees established	1,250 trees per hectare planted. Expected mortality rate of 50 trees per hectare
The term of the Project	Approximately 20 years
Initial cost per woodlot	\$5,500
Ongoing and other costs	Licence and Management Fees payable in arrears from harvest proceeds
	Insurance costs
	Costs of harvest and sale payable out of harvest proceeds

18. The Project has been registered as a Managed Investment Scheme under the Corporations Act. The Responsible Entity for the Project is Rewards Projects Ltd. The Project will be conducted on land located near the towns of Tully and Innisfail in northern Queensland.

19. This offer pertains to 2,000 Woodlots of 0.2 hectares each. There is no minimum subscription for the Project. The Responsible Entity is able to accept oversubscriptions to the extent that the Lessor has suitable land available. Any additional land for the Project will only be purchased if deemed suitable by the Independent Forester for the establishment of a Teak plantation.

20. Growers participating in the arrangement will enter into a Licence Agreement. Under this Agreement, Growers licence an area of land called a 'Woodlot' for a term of approximately 20 years for the purpose of Teak farming. Each Woodlot will be planted with Teak tissue culture tubestock at a rate of 1,250 trees per hectare.

21. Under this offer, Growers may enter the Project in either the year ended 30 June 2005 or 30 June 2006. This Ruling only applies to Growers who acquire a Woodlot during the year ended 30 June 2006 and they are defined as '2006 Growers' for the purpose of this ruling.

22. The Growers will also enter into a contract with the Responsible Entity for the management of their Woodlot. The Responsible Entity will be responsible for establishing and cultivating the Trees. The Responsible Entity will Harvest the Timber on their behalf. Harvests are expected to take place when the Trees are aged 6, 10, 14 and 18 years.

23. Growers will only be accepted by paying Subscription Money's to the Responsible Entity in full or by instalments under a Terms Payment Option offered by the Responsible Entity. Growers will execute a Power of Attorney enabling the Responsible Entity to act on their behalf as required when they make an application for a Woodlot. This will include the execution of the Licence and Management Agreements, and, where the Grower elects to pay fees by instalment, a Terms Agreement.

The Land Trust (Optional)

24. A Grower **may** also purchase units in the Rewards Group Teak Land Trust. The Constitution establishes the Trust and operates as a deed under which the Manager holds assets on trust for the unit holders. It sets out the terms and conditions under which Rewards Projects Ltd agrees to act as the Responsible Entity for the Trust.

25. The beneficial interest in the Trust is divided into Units and each Unit confers an equal undivided interest. The Application Fee is \$1200 per Unit. There is a minimum subscription of 150 Units before the Trust will proceed.

26. If minimum subscription is not met, Rewards Land Ltd will acquire the Land and lease the land to Rewards Projects Ltd which will then contract directly with the Grower via a Licence Agreement.

27. Participants may purchase Units in the Land Trust by paying cash or borrowing money from Rewards Projects Ltd. A loan application fee of \$50 per unit is payable. The interest rate, where applicable, is 10.95% per annum.

Number of Years to pay Initial Fee	Deposit	Monthly Repayments
One Year	\$120.00	\$94.17
Two Years	\$120.00	\$52.64
Five Years	\$120.00	\$24.54
Seven Years	\$120.00	\$19.32

Seven Years Part Interest Only	\$120.00	36 @ \$10.31 48 @ \$29.18
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Constitution

28. The Constitution establishes the Project and operates as a deed binding on all of the Growers and the Responsible Entity. The Constitution sets out the terms and conditions under which Rewards Projects Ltd agrees to act as Responsible Entity and thereby manage the Project. The Licence and the Management Agreements will be executed on behalf of a Grower following acceptance of the application by the Responsible Entity. Growers are bound by the Constitution by virtue of their participation in the Project.

29. Under the terms of the Constitution, all moneys received from applications shall be paid to the Responsible Entity. The Responsible Entity shall deposit those moneys into a Subscription Fund in the name of the Responsible Entity. The Subscription Money will be released by the Responsible Entity when certain specified criteria in the Constitution have been met (clause 3.3 of the Constitution).

Compliance plan

30. As required by the Corporations Act, a Compliance Plan has been prepared by Rewards Projects Ltd. Its purpose is to ensure that the Responsible Entity manages the Project in accordance with its obligations and responsibilities contained in the Constitution and that the interests of Growers are protected.

Licence Agreement

31. Growers participating in the arrangement will enter into a Licence Agreement between the Grower and Rewards Projects Ltd in its capacity as Responsible Entity of the Rewards Group Teak Project 4. Growers are granted a Licence to use their Woodlot for the purpose of conducting their afforestation business upon terms and conditions as set out in the Licence. The Licence will commence on the date Woodlots are allotted to Growers and will continue until the completion of the final harvest in approximately 20 years.

Management Agreement

32. The Management Agreement is between the Grower and Rewards Projects Ltd as the Manager. Each Grower agrees to engage the Responsible Entity of the Project to perform services under the Agreement. The Responsible Entity may employ an agent or contractor to carry out some or all of these duties. The Responsible Entity, by execution of the Operations Agreement, employs Rewards Management Pty Ltd to manage the Woodlots on its behalf.

33. Annexure A (Initial Services) and Annexure B (Ongoing Services) of the Management Agreement specify the services to be performed by the Responsible Entity.

34. Initial Services are:

- supply sufficient Teak plantlets to the specifications recommended in the Plantation Management Plan; and
- ensure that the Woodlots are ready for planting in accordance with the Plantation Management Plan including ripping, mounding and herbicide spraying (if required).

35. Ongoing Services include:

- plant the teak plants;
- tend to the Trees according to the principles of good forestry; including such nutrient analysis, pruning, fertilising and fumigating, as the Responsible Entity deems appropriate to promote Tree growth and yields;
- maintain and repair such roads and fences as exist on the Land and otherwise keep the Woodlots in good and substantial repair and condition;
- manage the Tree crop in accordance with the Plantation Management Plan; and
- determine the harvest schedule and manage each harvest.

36. The Initial Services will be completed by the Responsible Entity within the 'Initial Period' (clause 2.2). The Initial Period means in relation to a 2006 Grower's Application a period of 12 months commencing on 1 July 2006.

Planting

37. Under the Management Agreement the Grower agrees to purchase seedlings from the Responsible Entity to enable cultivation of Trees. During the first financial year after the Initial Period the Manager will be responsible for planting the Teak Trees on the Woodlot. Under the Plantation Management Plan, a sufficient number of Trees will be planted which would reasonably be expected to meet the projected timber production. The Manager will conduct a survival count within 12 months of planting the Teak Trees and replant as necessary. The Manager will then maintain the Trees in accordance with good silvicultural practice.

Operations Agreement

38. The Operations Agreement is between Rewards Projects Ltd as the Responsible Entity and Rewards Management Pty Ltd as Manager. This Agreement appoints Rewards Management Pty Ltd to perform the obligations of the Responsible Entity under the Management Agreement.

Fees

39. The fees payable under the Licence and the Management Agreements on a per Woodlot basis are as follows:

- Establishment Fee of \$5,500 payable to the Responsible Entity on Application for the Initial Period;
- At each relevant harvest, the Grower is required to pay a Maintenance Fee for Ongoing Services to the Responsible Entity of an amount equal to 8.36% of the Grower's Share of the sales proceeds of the harvest after deducting any applicable harvest and sale costs; and
- At each relevant harvest, the Grower is required to pay a Licence Fee to the Responsible Entity of an amount equal to 7.70% of the Grower's Share of the sales proceeds of the harvest after deducting any applicable harvest and sale costs.

Other Fees

40. Pursuant to the terms of the Head Lease, the Responsible Entity must maintain certain crop insurance covering the Woodlots. The Responsible Entity will use its best endeavours, if so requested, to arrange additional crop insurance for the Woodlots on behalf of the Grower. The Grower is responsible for the cost of insurance attributable to the Grower's Woodlot(s) and any additional insurance the Responsible Entity arranges for the Grower (clause 2.3).

Payment of Fees

41. Upon signing an Application Form, the Grower acknowledges that the full amount of the Subscription Money is immediately due and payable. However, under the Product Disclosure Statement, the Responsible Entity is offering Terms Payment Options in respect of the Initial Fee payable for the Initial Period (refer to paragraph 34). Growers may choose one of the payment options described below. A Terms Application Fee of \$50 per woodlot applies. Interest is payable under all Terms at 10.95% per annum except the one year option.

42. Cash Option

- \$5,500 per woodlot payable in full on application.

43. Terms Payment Options

Number of Years to pay Initial Fee	Deposit	Monthly Repayments
One Year	\$550	\$416.67
Two Years	\$550	\$232.93
Five Years	\$550	\$108.59
Seven Years	\$550	\$85.48
Seven Years Part Interest Only	\$550	36 @ \$45.63 48 @ \$129.11

44. The Responsible Entity will monitor the level of applications received under each of the Terms Payment Options and is not obliged to accept applications for terms. A limit will be imposed on the number of applications that can be accepted under each instalment option.

Terms Agreement

45. If a Grower chooses to pay under one of the instalment options, they must complete a Terms Application and Direct Debit Request. A Terms Agreement will be executed by the Responsible Entity.

46. If a Grower does not pay the required instalments under the Terms Agreement, then provided Rewards Projects Ltd has given the Grower 14 days written notice to remedy the situation and payment has still not been made, the balance owing under the Terms Agreement will become immediately due and payable. In addition Rewards Projects Ltd may take legal proceedings to recover the amount, resume all rights and interest which the Grower has in their Woodlot(s), or do anything which an owner of the Woodlot(s) is entitled to do (clause 5.2 of the Terms Agreement).

Harvesting and Marketing

47. The Grower is entitled to the Teak Trees to be planted on the Woodlot and has a right to the timber from those Trees. Harvesting will take place as and when deemed appropriate by the Responsible Entity in producing the best overall result for the Grower. The Responsible Entity expects to conduct thinning harvests of 80 Trees per Woodlot in year 8, 70 Trees per Woodlot in year 12 and 44 Trees per Woodlot in year 16. The remaining Trees (approximately 46 per Woodlot) will be harvested in the final year of the Project.

48. The proceeds from sale of the Grower's timber will be paid direct to the Responsible Entity who must deposit them into a Proceeds Fund. The Responsible Entity shall pay out of the Grower's Share, the costs of harvest and sale as advised by the Manager plus any outstanding fees or other amounts owing by the Grower to the Responsible Entity or Lessor. The balance will then be distributed to the Growers on a proportionate basis. The term 'Proceeds Fund' is defined in the Constitution and the term 'Grower's Share' is defined in the Management Agreement.

Finance

49. Growers can fund their participation in the Project themselves or borrow from an independent lender.

50. 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' 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 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 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) back to the lender or any associate;
- 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 are involved in the provision of finance for the Project other than the Terms Payment Options offered by Rewards Projects Ltd and the Land Trust loans offered by Rewards Projects Ltd.

Ruling

51. This Ruling applies only to Growers who are accepted to participate in the Project on or before 30 June 2006 where the Grower has executed Licence and Management Agreements on or before that date (2006 Growers).

52. The Grower's participation in the Project must constitute the carrying on of a business of primary production. A Grower is not eligible to claim any tax deductions until the Grower's application to enter the Project is accepted and the Project has commenced.

The Simplified Tax System ('STS')

Division 328

53. For a Grower who is accepted into this Project, the recognition of income and the timing of tax deductions will depend upon whether, in an income year(s), the Grower is an 'STS taxpayer' or is not an 'STS taxpayer'. To be an 'STS taxpayer' a Grower:

- must be eligible to be an 'STS taxpayer'; and
- must have elected to be an 'STS taxpayer'.

Qualification

54. This Product Ruling assumes that a Grower who is an 'STS taxpayer' is so for the income year in which their participation in the Project commences. A Grower may become an 'STS taxpayer' at a later point in time. Also, a Grower who is an 'STS taxpayer' may choose to stop being an 'STS taxpayer', or may cease to be eligible to be an 'STS taxpayer' during the term of the Project. These are contingencies relating to the circumstances of individual Growers that cannot be accommodated in this Ruling. Such Growers can ask for a private ruling on how the taxation legislation applies to them.

Tax outcomes for Growers who are not 'STS taxpayers'

Assessable Income

Section 6-5 and Division 6 (ITAA 1936)

55. That part of the gross sales proceeds from the Project attributable to the Grower's produce, less any GST payable on those proceeds (section 17-5), will be assessable income of the Grower under section 6-5.

56. The Grower recognises ordinary income from carrying on the business of afforestation at the time that income is derived. The Grower also recognises any distribution from the Land Trust will also be assessable income when it is derived.

Deductions for the Initial Fee and Interest***Section 8-1***

57. A Grower who is not an 'STS taxpayer' may claim tax deductions under section 8-1 of the ITAA 1997, for the expenses in the following Tables.

Rewards Group Teak Project 4

Fee Type	ITAA 1997 Section	Year Ended 30 June 2006	Year Ended 30 June 2007	Year Ended 30 June 2008
Initial Fee	8-1	\$5,500 See notes (i) & (ii)		
Interest (Term payment options)	8-1	As incurred See note (iii)	As incurred See note (iii)	As incurred See note (iii)

Deductions for participation in the Land Trust

Fee Type	ITAA 1997 Section	Year Ended 30 June 2006	Year Ended 30 June 2007	Year Ended 30 June 2008
Interest (Loan to acquire Units in the Land Trust)	8-1	As incurred See note (iii)	As incurred See note (iii)	As incurred See note (iii)
Land Trust Loan Application Fee (if applicable)	25-25	\$50.00		

Notes:

- i) If the Grower is registered or required to be registered for GST, amounts of outgoing would need to be adjusted as relevant for GST (for example, input tax credits): Division 27. See Example 1 at paragraph 128;
- ii) The Initial Fee is expenditure for 'seasonally dependent agronomic activities' and is deductible in the income year in which it is incurred (see paragraphs 94 to 98 in the Explanations); and
- iii) Interest payable under either the Terms Payment Options or the Loan with Rewards Projects Ltd to acquire Units in the Land Trust will be deductible when incurred.

Tax outcomes for Growers who are 'STS taxpayers'***Assessable Income****Section 6-5, Section 328-105 and Division 6 (ITAA 1936)*

58. That part of the gross sales proceeds from the Project attributable to the Grower's produce, less any GST payable on those proceeds (section 17-5), will be assessable income of the Grower under section 6-5.

59. The Grower recognises ordinary income from carrying on the business of afforestation at the time that income is received (paragraph 328-105(1)(a)). The Grower also recognises any distribution from the Land Trust will also be assessable income when received.

Deductions for the Initial Fee and Interest*Section 8-1 and section 328-105*

60. A Grower who is an 'STS taxpayer' may claim tax deductions for the expenses in the following Tables.

61. If, for any reason, such as under the Terms Payment Options, an amount shown in the Table below is not fully paid in the year in which it is incurred by a Grower who is an 'STS taxpayer', then the amount is only deductible to the extent to which it has been paid, or has been paid for the Grower. Any amount or part of an amount shown in the Table above which is not paid in the year in which it is incurred will be deductible in the year in which it is actually paid;

Rewards Group Teak Project 4

Fee Type	ITAA 1997 Section	Year Ended 30 June 2006	Year Ended 30 June 2007	Year Ended 30 June 2008
Initial Fee	8-1	\$5,500 See notes (iv) (v) & (vi)		
Interest (Term payment options)	8-1	When paid See note (vii)	When paid See note (vii)	When paid note (vii)

Deductions for participation in the Land Trust

Fee Type	ITAA 1997 Section	Year Ended 30 June 2006	Year Ended 30 June 2007	Year Ended 30 June 2008
Interest (Loan to acquire Units in the Land Trust)	8-1	When paid See note (vii) below	When paid See note (vii) below	When paid See note (vii) below
Land Trust Loan Application Fee (if applicable)	25-25	When paid, See note (viii) below		

Notes:

- iv) If the Grower is registered or required to be registered for GST, amounts of outgoing would need to be adjusted as relevant for GST (for example, input tax credits): Division 27. See Example 1 at paragraph 128;
- v) The Initial Fee is expenditure for 'seasonally dependent agronomic activities' and is deductible in the income year in which it is paid (see paragraphs 94 to 98 in the Explanations);
- vi) If a Grower who is an 'STS taxpayer' chooses to pay the \$5,500 Initial Fee using the cash option, then that amount will be fully deductible in the year in which it is paid;
- vii) Interest payable under either the Terms Payment Options or the Loan with Rewards Projects Ltd to acquire Units in the Land Trust will be deductible when paid.
- viii) The Loan Application fee is deductible when it is paid.

Tax outcomes that apply to all Growers***Interest***

62. The deductibility or otherwise of interest incurred by Growers who finance their participation in the Project through a loan facility with a bank or financier, other than the Terms Payment Options offered by Rewards Projects Ltd or the loans offered by Rewards Projects Ltd, is outside the scope of this Ruling. However all Growers who borrow funds in order to participate in the Project, should read the discussion of the prepayment rules in paragraphs 86 to 93 (below) as those rules may be applicable if interest is prepaid. Subject to the 'excluded expenditure' exception, the prepayment rules

apply whether the prepayment is required under the relevant loan agreement or is at the Grower's choice.

Terms Application fee

63. Growers who elect to pay the Initial fee under the Terms Options must pay a Terms Application fee of \$50.00. This amount is not deductible under section 8-1.

Division 35 - deferral of losses from non-commercial business activities

Section 35-55 - Commissioner's discretion

64. For a Grower who is an individual, enters the Project during the years ended 30 June 2006, the rule in section 35-10 may apply to the business activity comprised by their involvement in this Project. Under paragraph 35-55(1)(b), the Commissioner will decide for 2006 Growers that for the income years ending 30 June 2006 to 30 June 2024, 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.

65. 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; or
- a Grower's business activity satisfies one of the tests in sections 35-30, 35-35, 35-40 or 35-45; or
- the Grower's business activity produces assessable income for an income year greater than the deductions attributable to it for that year (apart from the operation of subsection 35-10(2)).

66. Where the 'exception' in subsection 35-10(4) applies, or the Grower's business activity satisfies one of the tests, or the discretion in subsection 35-55(1) is exercised, section 35-10 will not apply. This means that a Grower will not be required to defer any excess of the deductions attributable to their business activity in excess of any assessable income from that activity, that is, 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.

67. Growers are reminded of the important statement made on Page 1 of this Product Ruling. Therefore, Growers should not see the Commissioner's decision to exercise the discretion in paragraph 35-55(1)(b) as an indication that the Tax Office sanctions or guarantees the Project or the product to be commercially viable. An assessment of the Project or the product from this perspective has not been made.

Section 82KL and Part IVA

68. For a Grower who participates in the Project and incurs expenditure as required by the Licence Agreement and the Management Agreements the following provisions of the ITAA 1936 have application as indicated:

- 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.

Explanation

69. For the amounts set out in the Tables above to constitute allowable deductions, the Grower's afforestation activities as a participant in the Rewards Group Teak Project 4 must amount to the carrying on of a business of primary production.

70. Where there is a business, or a future business, the gross proceeds from the sale of the Teak will constitute gross assessable income in their own right. 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.

71. For schemes such as that of the Rewards Group Teak Project 4, Taxation Ruling TR 2000/8 sets out in paragraph 89 the circumstances in which the Grower's activities can constitute the carrying on of a business. As Taxation Ruling TR 2000/8 sets out, these circumstances have been established in court decisions such as Commissioner of Taxation v. Lau (1984) 6 FCR 202; 84 ATC 4929; (1984) 16 ATR 55.

72. Generally, a Grower will be carrying on a business of afforestation, and hence primary production, if:

- the Grower has an identifiable interest (by lease or by licence) in the land on which the Grower's trees are established;
- the Grower has a right to harvest and sell the wood produce from those trees;
- the afforestation activities are carried out on the Grower's behalf;
- the afforestation activities of the Grower are typical of those associated with an afforestation business; and
- the weight and influence of general indicators point to the carrying on of a business.

73. In this Project, each Grower enters into a Management Agreement and a Licence Agreement.

74. Under the Licence Agreement each individual Grower will have rights over a specific and identifiable area of 0.2 hectares of land. The Licence Agreement provides the Grower with an ongoing interest in the specific trees on the licensed area for the term of the Project. Under the licence the Grower must use the land in question for the purpose of carrying out afforestation activities, and for no other purpose. The licence allows the Project Manager to come onto the land to carry out its obligations under the Management Agreement.

75. Under the Management Agreement the Manager is engaged by the Grower to establish and maintain a woodlot on the Grower's identifiable area of land during the term of the Project. The Manager has provided evidence that it holds the appropriate professional skills and credentials to provide the management services to establish and maintain the woodlot on the Grower's behalf.

76. The Manager is also engaged to harvest and sell, on the Grower's behalf, the wood produce grown on the Grower's woodlot.

77. 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 Project's description for all the indicators.

78. The activities that will be regularly carried out during the term of the Project demonstrate a significant commercial purpose. Based on reasonable projections, a Grower in the Project will derive assessable income from the sale of the wood produce that will return a before-tax profit, i.e. a profit in cash terms that does not depend in its calculation on the fees in question being allowed as a deduction.

79. The pooling of wood produce from trees grown on the Grower's woodlot with the wood produce of other Growers is consistent with general afforestation practices. Each Grower's proportionate share of the sale proceeds of the pooled wood products will reflect the proportion of the trees contributed from their woodlot.

80. The Manager's services are also consistent with general silvicultural practices. They are of the type ordinarily found in afforestation ventures that would commonly be said to be businesses. While the size of a woodlot is relatively small, it is of a size and scale to allow it to be commercially viable.

81. The Grower's degree of control over the Manager as evidenced by the Management Agreement, and supplemented by the Corporations Act 2001, is sufficient. During the term of the Project, the Manager will provide the Grower with regular progress reports on the Grower's woodlot and the activities carried out on the Grower's behalf. Growers are able to terminate arrangements with the Project Manager in certain instances, such as cases of default or neglect.

82. 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. For the purposes of this Ruling, the Growers' afforestation activities in the Rewards Group Teak 4 Project will constitute the carrying on of a business.

The Simplified Tax System

Division 328

83. Subdivision 328-F sets out the eligibility requirements that a Grower must satisfy in order to enter the STS and Subdivision 328-G sets out the rules for entering and leaving the STS.

84. The question of whether a Grower is eligible to be an 'STS taxpayer' is outside the scope of this Product Ruling. Therefore, any Grower who relies on those parts of this Ruling that refer to the STS will be assumed to have correctly determined whether or not they are eligible to be an 'STS taxpayer'.

Deductibility of the initial fee

Section 8-1

85. Consideration of whether the initial fee is deductible under section 8-1 begins with the first limb of the section. This view proceeds on the following basis:

- the outgoing 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 the second limb if they are incurred when the business has not commenced; and
- where all that happens in a year of income is that a taxpayer is contractually committed 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 the second limb applies. However, that does not preclude the application of the first limb in determining whether the outgoing in question has a sufficient connection with activities to produce assessable income.

86. The Initial Fee associated with the afforestation activities will relate to the gaining of income from the Grower's business of afforestation (see above), and hence have a sufficient connection to the operations by which income (from the harvesting and sale of wood produce) is to be gained from this business. They will thus be deductible under the first limb of section 8-1. Further, no 'non-income producing' purpose in incurring the fee is identifiable from the

arrangement. The fee appears to be reasonable. There is no capital component of the Initial Fee. The tests of deductibility under the first limb of section 8-1 are met. The exclusions do not apply.

Prepayment provisions

Sections 82KZL to 82KZMG

87. The prepayment provisions contained in Subdivision H of Division 3 of Part III of the ITAA 1936 affect the timing of deductions for certain prepaid expenditure. These provisions apply to certain expenditure incurred under an agreement in return for the doing of a thing under the agreement (eg. the performance of management services or the leasing of land) that will not be wholly done within the same year of income as the year in which the expenditure is incurred. If expenditure is incurred to cover the provision of services to be provided within the same year, then it is not expenditure to which the prepayment rules apply.

88. For this Project, only section 82KZL (an interpretive provision) and sections 82KZME, 82KZMF and 82KZMG are relevant. Subject to section 82KZMG, if the requirements of sections 82KZME and 82KZMF are met, taxpayers determine deductions for prepaid expenditure under section 82KZMF using the formula in subsection 82KZMF(1). These provisions also apply to 'STS taxpayers' because there is no specific exclusion contained in section 82KZME that excludes them from the operation of section 82KZMF.

Sections 82KZME and 82KZMF

89. Other than expenditure deductible under section 82KZMG, if the requirements of subsections 82KZME(2) and (3) are met, the formula in subsection 82KZMF(1) (see below) will apply to apportion expenditure that is otherwise deductible under section 8-1 of the ITAA 1997. The requirements of subsection 82KZME(2) will be met if expenditure is incurred by a taxpayer in return for the doing of a thing that is not to be wholly done within the year the expenditure is made. The year in which such expenditure is incurred is called the 'expenditure year' (subsection 82KZME(1)).

90. The requirements of subsection 82KZME(3) will be met where the agreement (or arrangement) has the following characteristics:

- the taxpayer's allowable deductions under the agreement for the 'expenditure year' exceed any assessable income attributable to the agreement for that year; and
- the taxpayer does not have effective day to day control over the operation of the agreement. That is, the significant aspects of the arrangement are managed by someone other than the taxpayer; and
- either :

- a) there is more than one participant in the agreement in the same capacity as the taxpayer; or
- b) the person who promotes, arranges or manages the agreement (or an associate of that person) promotes similar agreements for other taxpayers.

91. For the purpose of these provisions, the agreement includes all activities that relate to the agreement (subsection 82KZME(4)). This has particular relevance for a Grower in this Project who, in order to participate in the Project may borrow funds from a financier. Although undertaken with an unrelated party, that financing would be an element of the arrangement. The funds borrowed and the resulting interest deduction are directly related to the activities under the arrangement. If a Grower prepays interest under such financing arrangements, the deductions allowable will be subject to apportionment under section 82KZMF.

92. There are a number of exceptions to these rules, but for Growers participating in this Project, only the 'excluded expenditure' exception in subsection 82KZME(7) is relevant. 'Excluded expenditure' is defined in subsection 82KZL(1). However, for the purposes of Growers in this Project, 'excluded expenditure' is prepaid expenditure incurred under the arrangement that is less than \$1,000. Such expenditure is immediately deductible.

93. Where the requirements of section 82KZME are met, section 82KZMF applies to apportion relevant prepaid expenditure. Section 82KZMF uses the formula below, to apportion prepaid expenditure and allow a deduction over the period that the benefits are provided.

$$\frac{\text{Expenditure} \times \text{Number of days of eligible service period in the year of income}}{\text{Total number of days of eligible service period}}$$

94. In the formula 'eligible service period' (defined in subsection 82KZL(1)) means, the period during which the thing under the agreement is to be done. The eligible service period begins on the day on which the thing under the agreement commences to be done or on the day on which the expenditure is incurred, whichever is the later, and ends on the last day on which the thing under the agreement ceases to be done, up to a maximum of 10 years.

Section 82KZMG

95. Under section 82KZMG(1), expenditure is excluded from the prepayment rules that would otherwise apply, to the extent that the prepaid amount satisfies the requirements of subsections 82KZMG(2) to (4).

96. Subsection 82KZMG(2) requires that the expenditure is
- incurred on or after 2 October 2001 and on or before 30 June 2006; and

- the eligible service period must be 12 months or shorter and must end on or before the last day of the year of income after the expenditure year; and
- for the doing of a thing under the agreement that is not to be wholly done within the expenditure year.

97. To satisfy subsection 82KZMG(3) the agreement must satisfy the following requirements:

- it must be an agreement for planting and tending trees for felling; and
- be an agreement where the taxpayer does not have day to day control over the operations arising out of the agreement. (a right to be consulted or to give directions does not equate to day to day control for the purposes of this requirement); and
- either:
 - (i) there is more than one participant in the agreement in the same capacity as the taxpayer; or
 - (ii) the manager manages, arranges or promotes the agreement, or an associate of the manager, manages, arranges or promotes similar agreements.

98. Under subsection 82KZMG(4) the expenditure incurred by the taxpayer must be paid for 'seasonally dependent agronomic activities' undertaken by the manager during the 'establishment period' for the relevant planting of trees for felling. The term 'seasonally dependent agronomic activities' is explained in Taxation Determination TD 2003/12.

99. Subsection 82KZMG(5) defines the 'establishment period to commence at the time that the first 'seasonally dependent agronomic activity' is performed in relation to a specific planting of trees and to conclude with the planting of trees. Where it is necessary to apply a fertiliser or herbicide to the trees at the same time as planting then those activities fall within the establishment period. Planting of trees refers to the main planting of the particular plantation and expressly excludes specific planting to replace existing seedlings that have not survived.

Application of the prepayment provisions to this Project

100. Under the Management Agreement, a Grower incurs an Initial Fee consisting of expenditure of \$5,500 for 'seasonally dependent agronomic activities'.

101. As the requirements of section 82KZMG have been met, a deduction is allowable in the income year ended 30 June 2006 for the expenditure incurred under the Management Agreement for 'seasonally dependent agronomic activities'.

102. A Grower who is an 'STS taxpayer' can, therefore, claim an immediate deduction for each of the relevant fees in the income year in which the fee is paid. A Grower who is not an 'STS taxpayer' can claim an immediate deduction for each of the relevant fees in the income year in which the fee is incurred.

Interest deductibility

Section 8-1

(i) Growers who use the Terms Payment Option or borrow funds from Rewards Projects Ltd to participate in the Land Trust

103. Some Growers may finance their participation in the Project through a Terms Payment Option with Rewards Projects Ltd or through the Land Trust loans offered by Rewards Projects Ltd. Whether the resulting interest costs are deductible under section 8-1 depends on the same reasoning as that applied to the deductibility of lease and management fees.

104. The interest incurred for the year ended 30 June 2006 and in subsequent years of income will be in respect of financing the Grower's business operations - the cultivation and growing of trees or in the case of the Land Trust loan, the licence of the land on which the trees will have been planted - that will continue to be 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.

105. As with the Initial fee, in the absence of any application of the prepayment provisions (see paragraphs 86 to 93), the timing of deductions for interest will again depend upon whether a Grower is an 'STS taxpayer' or is not an 'STS taxpayer'.

106. If the Grower is not an 'STS taxpayer', interest is deductible in the year in which it is incurred.

107. If the Grower is an 'STS taxpayer' interest is not deductible until it has been both incurred and paid, or is paid for the Grower. If interest 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.

(ii) Growers who DO NOT use Rewards Projects Ltd as a finance provider

108. 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 Rewards Projects Ltd 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.

109. 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. Alternatively, a Grower may choose to prepay such interest. Unless such prepaid interest is 'excluded expenditure' any tax deduction that is allowable will be subject to the prepayment provisions of the ITAA 1936 (see paragraphs 86 to 93).

Terms Application Fee

Section 8-1

110. Some Growers may finance their participation in the Project through a Terms Payment Option with Rewards Projects Ltd. In doing so, they will incur a Terms Application Fee. Whether the resulting fee is deductible under section 8-1 depends on the same reasoning as that applied to the deductibility of the initial fees.

111. One of the exclusions under section 8-1 relates to expenditure that is capital or capital in nature. Any part of the expenditure of a Grower that is attributable to acquiring an asset or advantage of an enduring kind is generally capital or capital in nature and will not be an allowable deduction under section 8-1. In this Project, the Terms Application Fee is capital in nature. It is not deductible under section 8-1 or any other section of the Act.

Section 25-25 of the ITAA 1997 - Deductibility of the Loan application fee as a borrowing expense

112. Subsection 25-25(1) of the ITAA 1997 allows a deduction for expenditure incurred by the taxpayer for borrowing money to the extent that the borrowed money is used for the purpose of producing assessable income.

113. The Loan application fee is an expense of borrowing money. Under subsections 25-25(1) and 25-25(3) of the ITAA 1997, it will be deductible to the extent that the Loan proceeds are used to purchase the units in the Land Trust under the arrangement. For instance, if 60% of the Loan is used to purchase Units, then 60% of the Loan establishment fee will be allowable as a deduction over the relevant period.

114. As the loan application fee does not exceed \$100.00, it is fully deductible. As with the Initial fee, in the absence of any application of the prepayment provisions (see paragraphs 86 to 93), the timing of the deduction will again depend upon whether the unitholder is an 'STS taxpayer' or is not an 'STS taxpayer'.

115. If the unitholder is not an 'STS taxpayer', the expense is deductible in the year in which it is incurred.

116. If the unitholder is an 'STS taxpayer' the expense is not deductible until they have been both incurred and paid, or is paid for the unitholder. If the expense is properly incurred in an income year and 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 unitholder.

Units in the Land Trust

117. The Units in the Rewards Group Teak Project 4 Land Trust are CGT Assets (section 108-5 of the *ITAA 1997*) and the amounts payable by the investor are outgoings of a capital nature and not allowable deductions

118. The amounts paid for each unit will represent the first element of the cost base of the unit (subsection 110-25(2) of the *ITAA 1997*). Any disposal of the units by a unitholder will be a CGT event and may give rise to a capital gain or loss.

119. Distributions from the Rewards Group Teak Project 4 Land Trust are included in the assessable income of a unitholder, in accordance with Division 6 of the *ITAA 1936*.

Division 35 - Deferral of losses from non-commercial business activities

Section 35-55 – Exercise of Commissioner's discretion

120. In deciding to exercise the discretion in paragraph 35-55(1)(b) on a conditional basis for the income years 30 June 2006 to 30 June 2024 the Commissioner has applied the principles set out in Taxation Ruling TR 2001/14 Income tax: Division 35 – non commercial business losses. Accordingly, based on the evidence supplied, the Commissioner has determined that for those income years ended 30 June 2006 up to and including 30 June 2024:

- it is because of its nature that the business activity of a Grower will not satisfy one of the four tests in Division 35;
- there is an objective expectation that within a period that is commercially viable for the afforestation industry, a Grower's business activity will satisfy one of the four tests set out in Division 35 or produce a taxation profit; and

- a Grower who would otherwise be required to defer a loss arising from their participation in the Project under subsection 35-10(2) until a later income year is able to offset that loss against their other assessable income.

121. The exercise of the Commissioner's discretion under paragraph 35-55(1)(b) is conditional on the Project being carried on in the manner described in this Ruling during the income years specified. If the Project is carried out in a materially different way to that described in the Ruling a Grower will need to apply for a private ruling on the application of section 35-55 to those changed circumstances.

Section 82KL – recouped expenditure

122. The operation of section 82KL depends, among other things, on the identification of a certain quantum of 'additional benefits(s)'. 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 – general tax avoidance provisions

123. 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).

124. The Rewards Group Teak 4 Project will be a 'scheme'. A Grower will obtain a 'tax benefit' from entering into the scheme, in the form of tax deductions for the amounts detailed at paragraphs 42 to 43 that would not have been obtained but for the scheme. However, it is not possible to conclude the scheme will be entered into or carried out with the dominant purpose of obtaining this tax benefit.

125. Growers to whom this Ruling applies intend to stay in the scheme for its full term and derive assessable income from the harvesting and sale of the wood produce. 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 at arm's length or, if any parties are not dealing 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

Entitlement to GST input tax credits

126. Susan, who is a sole trader and registered for GST, contracts with a manager to manage her viticulture business. Her manager is registered for GST and charges her a management fee payable every six months in advance. On 1 December 2003, Susan receives a valid tax invoice from her manager requesting payment of a management fee in advance, and also requesting payment for an improvement in the connection of electricity for her vineyard that she contracted him to carry out. The tax invoice includes the following details:

Management fee for period 1/1/2004 to 30/6/2004	\$4,400*
Carrying out of upgrade of power for your vineyard as quoted	\$2,200*
Total due and payable by 1 January 2004 (includes GST of \$600)	\$6,600

*Taxable supply

Susan pays the invoice by the due date and calculates her input tax credit on the management fee (to be claimed through her Business Activity Statement) as:

$$1/11 \times \$4,400 = \$400.$$

Hence her outgoing for the management fee is effectively \$4,400 less \$400, or \$4,000.

Similarly, Susan calculates her input tax credit on the connection of electricity as:

$$1/11 \times \$2,200 = \$200.$$

Hence her outgoing for the power upgrade is effectively \$2,200 less \$200, or \$2,000.

In preparing her income tax return for the year ended 30 June 2004, Susan is aware that the management fee is deductible in the year incurred. She calculates her management fee deduction as \$4,000 (not \$4,400).

Susan is aware that the electricity upgrade is deductible 10% per year over a 10 year period. She calculates her deduction for the power upgrade as \$200 (one tenth of \$2,000 only, not one tenth of \$2,200).

Detailed contents list

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Commissioner of Taxation12 January 2005

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Not previously released in draft form

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- ITAA 1936 82KZMG(3)
- ITAA 1936 82KZMG(4)
- ITAA 1936 82KZMG(5)

Related Rulings/Determinations:

PR 1999/95; TD 93/34;
 TD 2003/12; TR 92/1; TR 92/20;
 TR 97/11; TR 97/16; TR 98/22;
 TR 2000/8; TR 2001/14

- ITAA Division 6
- ITAA 1936 Pt IVA
- ITAA 1936 177A
- ITAA 1936 177C
- ITAA 1936 177D
- ITAA 1936 177D(b)

Subject references:

- advance deductions and expenses for certain forestry expenditure
- carrying on a business
- commencement of business
- fee expenses
- forestry agreement
- interest expenses
- management fees
- non commercial losses
- producing assessable income
- product rulings
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- seasonally dependent agronomic activity
- taxation administration
- tax avoidance
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- tax shelters
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- ITAA 1997 6-5
- ITAA 1997 8-1
- ITAA 1997 17-5
- ITAA 1997 25-25
- ITAA 1997 25-25(1)
- ITAA 1997 25-25(3)
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- ITAA 1997 Div 35
- ITAA 1997 35-10
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- ITAA 1997 328-105
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- ITAA 1997 Subdiv 328-F
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Legislative references:

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- ITAA 1936 82KZL
- ITAA 1936 82KZL(1)
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- ITAA 1936 82KZME(4)
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