



PR 2007/18W - Income tax: ITC Red Mahogany Project 2007

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 This document has changed over time. This is a consolidated version of the ruling which was published on *18 December 2013*



Notice of Withdrawal

Product Ruling

Income tax: ITC Red Mahogany Project 2007

Product Ruling PR 2007/18 is withdrawn with effect from today.

1. This Product Ruling has been withdrawn in accordance with subsection 358-20(1) of Schedule 1 to the *Taxation Administration Act 1953*, which states the Commissioner may withdraw a public ruling either wholly or to an extent.
2. Product Ruling PR 2007/18 set out the Commissioner's opinion on tax consequence for persons participating in the ITC Red Mahogany Project 2007 ('the Project'), a forestry managed investment scheme, entered into for the purpose of establishing and harvesting Red Mahogany trees for commercial sale.
3. The Responsible Entity advised in 2012 that cyclones destroyed the entire Red Mahogany estate, resulting in early termination of the Project.
4. The termination of Growers' interests in the Project does not disturb the tax treatment of Growers' previous outgoings as set out in PR 2007/18 provided that the Project was carried out in the manner described in the Ruling up until the date of the destruction of Red Mahogany plantations.
5. Paragraph 23 of PR 2007/18 ruled that Growers can claim deductions for interest incurred under a loan agreement with ITC Finance Pty Ltd or the Nominated Financier as described at paragraphs 64 to 69 of PR 2007/18. Growers taking up a 10 year loan option may continue to incur interest on the loan after termination of the Project. Interest expenses will continue to be deductible provided Growers meet certain requirements outlined in TR 2004/4 *Income tax: deductions for interest incurred prior to the commencement of, or following the cessation of, relevant income earning activities*.

Commissioner of Taxation

18 December 2013

ATO references

NO:	1-51UIKHA
ISSN:	1441-1172
ATOlaw topic:	Income Tax - Product – timber

PR 2007/18

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