

TD 92/118 - Income tax: insurance: can a life assurance company get a deduction for expenditure incurred in deriving foreign income which is exempt under the former section 112B of the Income Tax Assessment Act 1936?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *16 July 1992*

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part 4VAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, the Determination applies to transactions entered into both before and after its date of issue.

Taxation Determination

Income tax: insurance: can a life assurance company get a deduction for expenditure incurred in deriving foreign income which is exempt under the former section 112B of the Income Tax Assessment Act 1936?

1. No. Foreign income which is excluded from assessable income by the former section 112B is 'exempt income' as defined in subsection 6(1). A life assurance company is not entitled to a deduction for expenditure incurred in deriving the foreign income because subsection 51(1) excludes outgoings incurred in relation to the gaining or production of exempt income.
2. Section 112B operated for the 1987-88 to 1989-90 income years only.

Commissioner of Taxation

16/07/92

FOI INDEX DETAIL: Reference No. I 1212859

Related Determinations: TD 92/117

Subject Ref: life assurance companies, deduction of expenditure incurred in deriving exempt income

Legislative Ref ITAA 6(1), ITAA 51(1), ITAA 112B

ATO Ref: Insurance Industry Cell

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