

TD 93/152W - Income tax: if a moneylender (A) sells its loan book to a taxpayer (B) and later B writes off some of the debts in the loan book as bad, can B claim those bad debts as deductions under paragraph 63(1)(b)?

⚠ This cover sheet is provided for information only. It does not form part of *TD 93/152W - Income tax: if a moneylender (A) sells its loan book to a taxpayer (B) and later B writes off some of the debts in the loan book as bad, can B claim those bad debts as deductions under paragraph 63(1)(b)?*

⚠ This document has changed over time. This is a consolidated version of the ruling which was published on *15 October 1997*

Notice of Withdrawal

Income tax: if a money lender (A) sells its loan book to a taxpayer (B) and B writes off some of the debts in the loan book as bad, can B claim those bad debts as deductions under paragraph 63(1)(b)?

The Tax Law Improvement Project is restructuring, renumbering and rewriting the income tax law in plain language. The Parliament is amending the income tax law progressively to reflect these aims. As new laws come into effect, Taxation Rulings about old laws are being brought into line with them.

Taxation Determination TD 93/152 is withdrawn with effect from today.

The Determination was issued to clarify the circumstances under which the purchaser of a debt could claim a tax deduction for a bad debt under paragraph 63(1)(b) of the *Income Tax Assessment Act 1936*. Paragraph 25-35(1)(b) of the *Income Tax Assessment Act 1997* makes it clear that for the bad debt deduction to be made available, the taxpayer claiming the deduction must have lent the money in the ordinary course of a business money lending conducted by the taxpayer. This Determination is therefore no longer required.

Commissioner of Taxation

15 October 1997

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