



***TD 93/24 - Income tax: is a deduction allowable for capital expenditure (subject to a valid section 124AB notice) under section 124ADG if the taxpayer does not have a petroleum field or proposed petroleum field?***

 This cover sheet is provided for information only. It does not form part of *TD 93/24 - Income tax: is a deduction allowable for capital expenditure (subject to a valid section 124AB notice) under section 124ADG if the taxpayer does not have a petroleum field or proposed petroleum field?*

 This document has changed over time. This is a consolidated version of the ruling which was published on *11 February 1993*

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVA 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, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

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## Taxation Determination

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**Income tax: is a deduction allowable for capital expenditure (subject to a valid section 124AB notice) under section 124ADG if the taxpayer does not have a petroleum field or proposed petroleum field?**

1. No. A deduction for capital expenditure is not allowable under section 124ADG where no petroleum field or proposed petroleum field exists. Subsection 124ADG(3) requires that there be a comparison made between 10 years, reduced by the number of years a deduction has already been allowed, and the estimated life of the field or the proposed field.

**Commissioner of Taxation**

11/2/93

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Related Determinations:

Related Rulings:

Subject Ref: Allowable expenditure; Petroleum prospecting

Legislative Ref: ITAA 124ADG

Case Ref:

ATO Ref: NORB J36/355/1

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