



TD 93/27 - Income tax: can balancing adjustments arising from disposals through intragroup transfers of depreciable assets in a group restructure of wholly owned companies be rolled over?

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

Taxation Determination

Income tax: can balancing adjustments arising from disposals through intragroup transfers of depreciable assets in a group restructure of wholly owned companies be rolled over?

1. Yes. Section 58 of the *Income Tax Assessment Act 1936* provides roll-over relief for intragroup transfers of depreciable assets in a group restructure of wholly owned companies.
2. Subsection 58(3) states that Section 59 (which deals with balancing charges and deductions) does not apply to the disposal of the property by the transferor.
3. It should be noted that Section 58 rollover relief is only available for transfers within wholly owned groups provided the necessary section 160ZZO election requirements are met.
4. Section 58 will also apply if/where a depreciable motor vehicle is involved. "Notional " rollover elections should be made as necessary.

Commissioner of Taxation

18/2/93

FOI INDEX DETAIL: Reference No. I 1214141

Previously issued as Draft TD 92/D136

Subject Ref: Intragroup transfer, group restructure, roll-over relief, depreciable assets, balancing adjustments

Legislative Ref: ITAA 58; 59; ITAA 160 220

ATO Ref: SYD/DTD/92/5

ISSN 1038 - 8982