



TD 93/48W - Income tax: is a deduction for borrowing costs allowable under section 67 of the Income Tax Assessment Act 1936 when a loan does not proceed?

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 This document has changed over time. This is a consolidated version of the ruling which was published on 3 November 2010



Notice of Withdrawal

Taxation Determination

Income tax: is a deduction for borrowing costs allowable under section 67 of the *Income Tax Assessment Act 1936* when a loan does not proceed?

Taxation Determination TD 93/48 is withdrawn with effect from today.

1. Taxation Determination TD 93/48 explains that a deduction for borrowing costs incurred with a view to borrowing money is not allowed pursuant to section 67 of the *Income Tax Assessment Act 1936* (ITAA 1936) where the loan does not proceed. Section 67 of the ITAA 1936 does not apply to expenditure incurred in the 1997-98 income year or later years of income.
2. Section 25-25 of the *Income Tax Assessment Act 1997* (ITAA 1997), which applies from 1 July 1997, allows a deduction for expenditure incurred in borrowing money. In most cases the deduction is spread over the period of the loan (as defined). Section 25-25 of the ITAA 1997 makes it clear that you can deduct expenditure to the extent that you use the money for the purpose of producing income.
3. TD 93/48 is no longer current or necessary and is withdrawn.

Commissioner of Taxation

3 November 2010

ATO references

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ATOlaw topic: Income Tax ~~ Deductions ~~ borrowing expenses