


# ***TR 2000/17A - Addendum - Income tax: deductions for interest following the Steele and Brown decisions***

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## Addendum

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### Income tax: deductions for interest following the *Steele* and *Brown* decisions

Passages in Taxation Ruling TR 2000/17 are no longer correct following the decision of the Full Bench of the Federal Court in *Federal Commissioner of Taxation v. Jones* [2002] FCA 204 concerning the deductibility of certain interest incurred after the cessation of business. Accordingly, TR 2000/17 is amended as follows.

**Delete the heading:**

Income tax: deductions for interest following the *Steele* and *Brown* decisions

**and replace with:**

Income tax: deductions for interest following the *Steele* decision

**Delete paragraphs 1 and 2 and replace with:**

1. This Ruling considers the implications of the decision of the High Court in *Steele v. FC of T* 99 ATC 4242; (1999) 41 ATR 139. *Steele's* case concerns, amongst other things, the deductibility of interest on money borrowed to purchase land intended to be developed. The case involves claims for interest incurred in periods during which no relevant assessable income was derived.

2. Although the case deals with the issue in terms of subsection 51(1) of the *Income Tax Assessment Act 1936* ('the Act'), the decision in the case and the discussion in this Ruling have equal application to section 8-1 of the *Income Tax Assessment Act 1997*. All references to subsection 51(1) should therefore be taken as including a reference to section 8-1.

**Delete paragraphs 13 to 16.**

**Delete paragraphs 20 to 21.**

# TR 2000/17

**Delete paragraphs 30 to 39.**

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**Commissioner of Taxation**

5 June 2002

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ATO references:

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