


TR 2008/2A - Addendum - Income tax: various income tax issues relating to the horse industry; including whether racing, training and breeding activities (carried out as stand-alone activities or in combination) amount to the carrying on of a business

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Addendum

Taxation Ruling

Income tax: various income tax issues relating to the horse industry; including whether racing, training and breeding activities (carried out as stand-alone activities or in combination) amount to the carrying on of a business

This Addendum amends Taxation Ruling TR 2008/2 to reflect the 2009 amendments to Division 35 of the *Income Tax Assessment Act 1997*.

TR 2008/2 is amended as follows:

1. Paragraph 110

Omit first dot point including footnote; substitute:

- the business activity meets one of the four tests and for the 2009-10 and later income years the individual in question also satisfies the income requirement;⁹⁰

2. Paragraph 142

Omit first dot point including footnote; substitute:

- the business activity meets one of the four tests and for the 2009-10 and later income years the individual in question also satisfies the income requirement;¹²²

⁹⁰ The four tests are: the assessable income test in section 35-30; the profits test in section 35-35; the real property test in section 35-40 and the other assets test in section 35-45. The income requirement is in subsection 35-10(2E).

¹²² The four tests are: the assessable income test in section 35-30; the profits test in section 35-35; the real property test in section 35-40 and the other assets test in section 35-45. The income requirement is in subsection 35-10(2E).

3. Paragraph 147

Omit first dot point including footnote; substitute:

- the business activity meets one of the four tests and for the 2009-10 and later income years the individual in question also satisfies the income requirement;¹²⁷

4. Legislative references

Insert:

- ITAA 1997 35-10(2E)

This Addendum applies both before and after its date of issue. The operation of new or amended provisions in Division 35 of the ITAA 1997, however, apply as shown in the relevant sentences or footnotes.

Commissioner of Taxation

22 June 2011

ATO references

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ATOlaw topic: Income Tax ~~ Assessable income ~~ carrying on a business
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Income Tax ~~ Assessable income ~~ primary production income
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Income Tax ~~ Capital allowances ~~ balancing adjustments – balancing adjustment event
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¹²⁷ The four tests are: the assessable income test in section 35-30; the profits test in section 35-35; the real property test in section 35-40 and the other assets test in section 35-45. The income requirement is in subsection 35-10(2E).