

# ***TR 93/26PW - Partial Withdrawal - Income tax: issues relating to the horse industry***

⚠ This cover sheet is provided for information only. It does not form part of *TR 93/26PW - Partial Withdrawal - Income tax: issues relating to the horse industry*

⚠ View the [consolidated version](#) for this notice.



# Notice of Withdrawal

---

## Taxation Ruling

### Income tax: issues relating to the horse industry

Taxation Ruling TR 93/26 is partially withdrawn with effect from today.

Taxation Ruling TR 93/26, which was released on 12 August 1993, discusses several issues raised in the taxation of horse breeding, training and racing activities.

Draft Taxation Ruling TR 2007/D9 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, which is released today, covers issues considered in TR 93/26.

Accordingly, TR 93/26 is partially withdrawn.

#### **Taxation Ruling TR 93/26 is partially withdrawn as follows:**

##### **1. Other Rulings on this topic**

Omit the heading and the entries.

##### **2. Contents**

Omit:

Ruling	2
(a) Whether the activities are a hobby or a business	2
(b) Live stock or plant?	16
(c) Valuation of live stock	24
(d) Capital gains on disposal of horse	54
(g) Prepayment of stallion service fees	74
(h) Ruling requests	77
Explanations	79
Whether the activities are a hobby or a business	79
Live stock or plant	87
Examples	88

### 3. Preamble

Omit the preamble; substitute:

**1 This publication provides you with the following level of protection:**

This publication (excluding appendixes) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes.

If you rely on this ruling, we must apply the law to you in the way set out in the ruling (unless we are satisfied that the ruling is incorrect and disadvantages you, in which case we may apply the law in a way that is more favourable for you – provided we are not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

### 4. Paragraph 1

Omit the paragraph; substitute:

1. This Ruling discusses the income tax treatment of stallion syndicates, including whether a partnership exists in terms of Division 5 of Part III of the *Income Tax Assessment Act 1936* (the ITAA 1936).

### 5. Paragraphs 2 to 56

Withdraw the paragraphs, including the headings.

### 6. Paragraph 63

After 'subsection 6(1)' insert 'of the ITAA 1936'.

### 7. Paragraph 71

In the second sentence:

- (a) omit 'Act' (first occurring); substitute 'ITAA 1936'
- (b) omit 'Act' (second occurring); substitute 'income tax laws'.

### 8. Paragraph 74 to 77

Withdraw the paragraphs, including the headings.

**9. Paragraph 78**

Omit the paragraph; substitute:

78. This Ruling applies both before and after its date of issue. However, it does not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of issue of Ruling (see paragraphs 75 and 76 of Taxation Ruling TR 2006/10).

**10. Paragraphs 79 to 92**

Withdraw the paragraphs, including the headings.

**11. References**

Omit the references; substitute:

*Previous draft:*

EDR 88

*Related Rulings/Determinations:*

IT 28; TR 2006/10

*Subject references:*

- stallion service fees
- syndicated horses

*Legislative references:*

- ITAA 1936 6(1)
- ITAA 1936 159GT(1)
- ITAA 1936 159GT(3)
- ITAA 1936 Pt III Div 5
- ITAA 1936 Pt III Div 16E
- TAA 1953

*Case references:*

- Arthur Murray (NSW) Pty Ltd v. FC of T (1965) 14 ATD 98; 114 CLR 314

---

ATO references

NO: 91/38935  
ISSN: 1039-0731  
ATOLaw topic: Income Tax ~~ Assessable income ~~ business v hobby  
Income Tax ~~ Deductions ~~ business v hobby

---

**Commissioner of Taxation**

22 August 2007

---

ATO references

NO: 2006/20258

ISSN: 1039-0731

ATOlaw topic: Income Tax ~~ Assessable income ~~ business v hobby  
Income Tax ~~ Deductions ~~ business v hobby