



# Addendum

## Taxation Ruling

### Income tax: determination of income; receipts versus earnings

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Taxation Ruling TR 98/1 to update references to legislation and Taxation Rulings.

#### TR 98/1 is amended as follows:

**1. Other Rulings on this topic**

Omit 'IT 2227; '.

**2. Contents list**

Omit from the table:

<b>Previous Rulings</b>	<b>24</b>
-------------------------	-----------

**3. Paragraphs 3 and 4**

Omit the paragraphs.

**4. Paragraph 7**

Omit the first sentence; substitute 'This Ruling does not apply to income that is subject to specific provisions of the ITAA, e.g. dividends assessable under subsection 44(1) of the ITAA 1936, securities assessable under Division 16E of Part III of the ITAA 1936, or financial arrangements entered into by financial institutions covered by Division 230 of the ITAA 1997.'

**5. Paragraph 23**

Omit the paragraph; substitute:

23. This Ruling applies to income years commencing both before and after its date of issue. However, this Ruling will 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 this Ruling (see paragraphs 75 and 76 of Taxation Ruling TR 2006/10).

**6. Paragraphs 24 and 25**

Omit the paragraphs.

## 7. Paragraph 47

Omit the third dot point; substitute:

- Interest derived on a customer's overdue account where the provision of credit to customers is a regular feature of the business activities of the taxpayer and the interest is charged on an accruals basis. The interest owing by customers at the end of the year is assessable income derived in that year, even though it has not yet been received;

## 8. Detailed contents list

Omit:

**Previous Rulings** **24**

## 9. Subject references

Omit subject references and heading.

## 10. Legislative references

Insert:

- ITAA97 Div 230

This Addendum applies on and from 29 March 2017.

---

### Commissioner of Taxation

29 March 2017

---

ATO references

NO: 1-A8ODO8A

ISSN: 2205-6211

BSL: TCN

---

**© AUSTRALIAN TAXATION OFFICE FOR THE  
COMMONWEALTH OF AUSTRALIA**

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).