

TD 1999/D56 - Income tax: capital gains: what does the word 'incur' in subsection 124-75(2) of the Income Tax Assessment Act 1997 mean?



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This document has been finalised by TD 2000/39.

Draft Taxation Determination

Income tax: capital gains: what does the word 'incur' in subsection 124-75(2) of the *Income Tax Assessment Act 1997* mean?

Preamble

Draft Taxation Determinations (DTDs) present the preliminary, though considered, views of the Australian Taxation Office (ATO). DTDs should not be relied on; only final Taxation Determinations represent authoritative statements by the ATO.

1. The word 'incur' in the context of subsection 124-75(2) of the *Income Tax Assessment Act 1997* means, in relation to expenditure in acquiring a CGT asset, that you outlay expenditure or that you have definitively committed yourself or have completely subjected yourself to a presently existing liability to outlay the expenditure.

Note:

2. The word 'incur' has the same meaning in subsection 124-75(2) as it has in its context in the general deduction provision in subsection 8-1(1).

Your comments

We invite you to comment on this Draft Taxation Determination. We are allowing 4 weeks for comments before we finalise the Determination. If you want your comments considered, please provide them to us within this period.

Comments by Date:	1 September 1999
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TD 1999/D56

Page 2 of 2

FOI status: draft only - for comment

Commissioner of Taxation

4 August 1999

Subject references:

Acquisition; asset; CGT asset; expenditure; incur; incurred

Legislative references:

ITAA 1997 8-1(1), 124-75(2)

ATO references:

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