


TD 2003/D18 - Income tax: Simplified Tax System (STS): can an entity that has notified the Commissioner of its choice to stop being an STS taxpayer for an income year, later cancel that choice for that year?

 This cover sheet is provided for information only. It does not form part of *TD 2003/D18 - Income tax: Simplified Tax System (STS): can an entity that has notified the Commissioner of its choice to stop being an STS taxpayer for an income year, later cancel that choice for that year?*

This document has been finalised by TD 2003/29.

Draft Taxation Determination

Income tax: Simplified Tax System (STS): can an entity that has notified the Commissioner of its choice to stop being an STS taxpayer for an income year, later cancel that choice for that year?

Preamble

*This document is a draft for industry and professional comment. As such, it represents the preliminary, though considered views of the Australian Taxation Office. This draft may not be relied on by taxpayers and practitioners as it is not a ruling for the purposes of Part IVAAA of the **Taxation Administration Act 1953**. It is only final Taxation Determinations that represent authoritative statements by the Australian Taxation Office.*

1. No. An entity that has notified the Commissioner of its choice to stop being an STS taxpayer under paragraph 328-440(1)(a) of the *Income Tax Assessment Act 1997* (ITAA 1997), for an income year, cannot later cancel that choice for that year.
2. Having made the choice to stop being an STS taxpayer, the entity can only again become an STS taxpayer if it satisfies subsection 328-440(3) of the ITAA 1997. This subsection provides that an entity that chooses to stop being an STS taxpayer cannot again become an STS taxpayer until at least five years after the income year in which it leaves the STS.

Date of Effect

3. When the final Determination is issued, it is proposed to apply both before and after its date of issue. However, the Determination will 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 the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Your comments

4. We invite you to comment on this draft Taxation Determination. Please forward your comments to the contact officer by the due date.

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FOI status: **draft only - for comment**

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3 September 2003

Previous draft:

Not previously issued in draft form.

Related Rulings/Determinations:

TR 92/20

Subject references:

- leaving the STS
- re-entering the STS
- simplified tax system
- STS taxpayers

Legislative references:

- ITAA 1997 328-440(1)(a)
- ITAA 1997 328-440(3)
- TAA 1953 Pt IVAAA

ATO references

NO:	2003/009781
ISSN:	1038-8982