


# ***TD 93/D231 - Income tax: can a taxpayer claim as a deduction the amount paid to purchase standing or growing crops?***

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Draft Taxation Determinations (TDs) represent the preliminary, though considered, views of the ATO. Draft TDs may not be relied on; only final TDs are authoritative statements of the ATO.

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## Draft Taxation Determination

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### **Income tax: can a taxpayer claim as a deduction the amount paid to purchase standing or growing crops?**

1. Yes, if the amount paid is the market value of the crops on the day of their purchase.
2. Where subsection 36(1) of the *Income Tax Assessment Act 1936* applies, it allows the purchaser of the standing or growing crops to claim a deduction for their value (*Butcher v. FCT*; *Blick v. FCT* (1950) 5 AITR 44, 9 ATD 177).
3. The amount which is deductible is the market value of the crops on the day of their purchase. Where it is not possible to determine their market value, a fair and reasonable value is to be used (subsection 36(8)).

**Commissioner of Taxation**  
9/9/93

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FOI INDEX DETAIL: Reference No.

Related Determinations: TD 93/D230

Subject Ref: deduction; crops; trading stock

Legislative Ref: ITAA 36 (1)

Case Ref: *Butcher v FCT*; *Blick v FCT* (1950) 5 AITR 44, (1950) 9 ATD 177

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