

TD 93/D48 (Withdrawn) - Income tax: if a person buys an entire business operation including the book debts, can he claim a deduction for those debts which later prove to be bad debts ?

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! This document has been Withdrawn.

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Draft Taxation Determination

Income tax: if a person buys an entire business operation including the book debts, can he claim a deduction for those debts which later prove to be bad debts ?

No. Section 63(1)(a) requires that the debt, in order to be deductible under this section, must have been brought to account as assessable income by the taxpayer who claims the deduction. Therefore, the taxpayer (ie. the purchaser) could not claim for those book debts as he was not the person who originally returned those debts as assessable income.

Commissioner of Taxation

04/03/93

FOI INDEX DETAIL: Reference No.

Related Determinations:

Related Rulings: EDR 42

Subject Ref: bad debts

Legislative Ref: ITAA section 63

Case Ref:

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