


***TD 93/D48 (Withdrawn) - Income tax: if a person buys an entire business operation including the book debts, can he claim a deduction for those debts which later prove to be bad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

 This cover sheet is provided for information only. It does not form part of *TD 93/D48 (Withdrawn) - Income tax: if a person buys an entire business operation including the book debts, can he claim a deduction for those debts which later prove to be bad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 ?*

 This document has been Withdrawn.

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.

---

## 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:

ATO Ref: MPS 657/1

---

ISSN 1038 - 8982