

TD 94/D63 - Income tax: capital gains: if a statutory licensee disposes of a statutory licence by way of the expiry, loss or destruction of the licence, does subsection 160ZD(2) of the Income Tax Assessment Act 1936 deem the licensee to have received the market value of the licence?

 This cover sheet is provided for information only. It does not form part of *TD 94/D63 - Income tax: capital gains: if a statutory licensee disposes of a statutory licence by way of the expiry, loss or destruction of the licence, does subsection 160ZD(2) of the Income Tax Assessment Act 1936 deem the licensee to have received the market value of the licence?*

This document has been finalised by TD 94/63.

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: capital gains: if a statutory licensee disposes of a statutory licence by way of the expiry, loss or destruction of the licence, does subsection 160ZD(2) of the *Income Tax Assessment Act 1936* deem the licensee to have received the market value of the licence?

1. No. By virtue of paragraph 160ZD(2B)(a), subsection 160ZD(2) does not apply if a statutory licence is disposed of by way of the expiry, loss or destruction of the licence. The statutory licensee is therefore not deemed to have received the market value of the licence.
2. The specific mention of a 'statutory licence' in paragraph 160ZD(2B)(b) does not preclude such a licence from being an 'asset' for the purposes of paragraph 160ZD(2B)(a).

Commissioner of Taxation
26/5/94

FOI INDEX DETAIL: Reference No.

Subject Ref: asset; destruction; disposal; cancellation; expiry; loss; market value; statutory licence.

Legislative Ref: ITAA 160ZD(2); ITAA 160ZD(2D); ITAA 160ZD(2B)(a); ITAA 160ZD(2B)(b).

ATO Ref: CGTDET101

ISSN 1038 - 8982