


IT 2130 - Income tax: depreciation: investment allowance - demountable car parks: whether plant

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TAXATION RULING NO. IT 2130

DEPRECIATION: INVESTMENT ALLOWANCE - DEMOUNTABLE CAR
PARKS: WHETHER PLANT

F.O.I. EMBARGO: May be released

REF H.O. REF: 21 84/2590-6 DATE OF EFFECT: IMMEDIATE
B.O. REF: J10/151 Vol. 8 DATE ORIG. MEMO ISSUED: 14 Nov. 84

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1132100	Depreciation	54
	Investment Allowance	82AQ(1)

PREAMBLE Advice has been sought whether a multi-storied demountable car park constitutes plant for income tax purposes. The car park is a temporary structure purchased in kit form which consists of various interlocking components. It is designed to provide car parking facilities particularly where city blocks are vacant for periods between six months and two years pending redevelopment. The structures can be assembled in two to five weeks and dismantled in approximately two weeks for storage or transportation to another site and re-erected. The various parts of the structure are interchangeable and are hooked together and held in place by braces and bolts. No welding is required. In most cases the foundations will consist of cement plates poured directly on the ground. No component weighs over 600 kgs. The parks can be up to 3 storeys high and can be varied in size and shape with little limitation.

RULING 2. It has been concluded that demountable car parks as described do not have the character of plant for purposes of section 54 of the Income Tax Assessment Act 1936. Rather they would form the whole or part of the premises in which the income producing activity is carried on as distinct from the apparatus by which it is carried on. In other words, they are more in the nature of buildings which provide a setting or environment in which the income producing activity is conducted.

3. For the same reason the demountable car parks are not "eligible property" as defined in section 82AQ(1) and expenditure thereon does not qualify for an investment allowance deduction.

4. Expenses of dismantling, transport, storage and assembly would be expenditure of a capital nature and not allowable as income tax deductions.

COMMISSIONER OF TAXATION
20 December 1984

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