IT 59 - Investment allowance - plant used in tourist industry

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TAXATION RULING NO. IT 59

INVESTMENT ALLOWANCE - PLANT USED IN TOURIST INDUSTRY

F.O.I. EMBARGO: Edited for FOI purposes

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F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1100866	AIRCRAFT BOATS COACHES HELICOPTERS FLOATING HELIPAD PLANT USED IN TOURIST INDUSTRY INVESTMENT ALLOWANCE	82AF(2)(f)(i) 82AA

OTHER RULING ON TOPIC IT 61

PREAMBLE

The following rulings have been given on whether various items of plant used in the tourist industry are eligible for the investment allowance in the context of the exclusion contained in s.82AF(2)(f)(i).

RULING

2. (a) An aircraft used to take holidaymakers from one island resort to another as part of a "package deal" would qualify for the allowance provided it was not also used for a non-qualifying purpose, e.g. sightseeing or joy flights.

(b) Boats used to take tourists from to on day trips, or to on overnight trips, would not qualify.

(c) Boats used for holiday charters, e.g. for ocean fishing or sightseeing trips, would not qualify.

(d) Helicopters used primarily for charter work with pilot supplied but also used for joy flights for approximately 20 per cent of the total flying time would not qualify. The percentage of time used for joy flights is immaterial as use of those helicopters for joy flights is regarded as use directly in amusement or recreation.

(e) Floating helipad to be moored in a lagoon on the with provision for glass bottomed boats to be sheltered within its structure would not qualify. The helipad was to be used primarily as a landing facility for helicopters transporting tourists on the initial leg of inspections, the

tourist being transferred to the glass bottomed boats. The helipad is regarded as being for use primarily and principally in connection with amusement or recreaton.

These rulings may be generally applied in cases where similar circumstances exist.

NOTE : Section 82AF(2)(f) was repealed with effect from 1 October 1980.

COMMISSIONER OF TAXATION