


# ***IT 81W - Notice of Withdrawal - Income tax: trading stock: hire and rental business***

 This cover sheet is provided for information only. It does not form part of *IT 81W - Notice of Withdrawal - Income tax: trading stock: hire and rental business*



---

# Notice of Withdrawal

---

## Taxation Ruling

### Income tax: trading stock: hire and rental business

Taxation Ruling IT 81 is withdrawn with effect from today.

1. The provisions to which Taxation Ruling IT 81 refers were repealed by the *Tax Laws Amendment (Repeal of Inoperative Provisions) Act 2006*.
2. Taxation Ruling IT 81 addressed the question of whether stocks held by a hire and rental business could be regarded as trading stock for purposes of the *Income Tax Assessment Act 1936* and whether a percentage of stock on hand at the end of the income year could be regarded as trading stock, based on expected sales of hire or rental items.
3. Division 70 of the *Income Tax Assessment Act 1997* (ITAA 1997) expressly provides for assets already owned by a business that start to be held as trading stock (section 70-30 of the ITAA 1997). In the current law it is clear that this provision is to be applied on an item-by-item basis.
4. Taxation Ruling IT 81 has no application to income tax years after 1997-98.

---

**Commissioner of Taxation**

30 March 2011

---

ATO references

NO: 1-21YGGPP

ISSN: 0813-3662

ATOlaw topic: Income Tax ~~ Trading stock and work in progress