


# ***PR 2000/30WA1 - Addendum to Withdrawal - Income tax: Forest Rewards Sandalwood Project 2000***

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## Notice of Addendum

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### Product Ruling

### Income tax: Forest Rewards Sandalwood Project 2000

This Addendum amends the Notice of Withdrawal for Product Ruling PR 2000/30 which issued on 20 June 2001 as a consequence of Black Tree Pty Ltd being appointed as the Manager of the Forest Rewards Sandalwood Project 2000.

#### **The notice of withdrawal for PR 2000/30 is amended as follows:**

##### **1. Paragraph 1**

Omit the paragraph, substitute:

1. Product Ruling PR 2000/30 set out the Commissioner's view on the tax consequences for entities who participated in the Forest Rewards Sandalwood Project 2000 (the Project) by entering into Sub-Lease and Management Agreements for the purpose of carrying on a business of commercial growing of Western Australian Sandalwood. The Ruling was withdrawn on 20 June 2001 as interests in the Project were no longer being sold.
2. Although withdrawn, the Ruling continues to apply to Growers who were accepted to participate in the Project between 5 April 2000 and 30 June 2000. It therefore could be relied upon subject to there being no material difference in the arrangement, or in the Growers' involvement in the arrangement.
3. PR 2000/30 ruled that Growers could claim deductions for lease, administration and management fees although the deductibility of losses from the Project was subject to the non-commercial loss rules in Division 35 of the *Income Tax Assessment Act 1997* (ITAA 1997). The Commissioner exercised his discretion to allow losses from this Project for the years ended 30 June 2006 to 30 June 2010. The Commissioner's discretion only applied whilst there was no material difference in the arrangement or in the Growers' involvement in the arrangement.
4. On 30 March 2011, Black Tree Pty Ltd was appointed as Manager of the Project. Black Tree has proposed changes to the arrangement ruled upon in PR 2000/30. Product Ruling PR 2011/13 has been issued for the revised arrangement effective from 30 March 2011.

# PR 2000/30W

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This Addendum applies on and from 30 March 2011.

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**Commissioner of Taxation**

18 May 2011

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ATO references

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