

PR 2003/37A - Addendum - Income tax: W.A. Blue Gum Project 2003

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Addendum

Product Ruling

Income tax: W.A. Blue Gum Project 2003

This Addendum amends Product Ruling PR 2003/37 to reflect changes to simplified tax system legislation from 2005-06 onwards.

PR 2003/37 is amended as follows:

1. Paragraph 49

Replace the paragraph with:

49. To be an 'STS taxpayer' a Grower must be eligible to be an 'STS taxpayer' and must have elected to be an 'STS taxpayer'. Changes to the STS rules apply from 1 July 2005. From that date, STS taxpayers may use the accruals accounting method or can continue to use the cash accounting method (called the 'STS accounting method' – see section 328-125).

2. Paragraph 56

Replace the paragraph with:

56. A Grower is assessable on ordinary income from carrying on their business of afforestation:

- in the year in which that income is received if the Grower is an 'STS taxpayer' continuing to use the cash accounting method; or
- in the year in which that income is derived if the Grower is an 'STS taxpayer' using the accruals accounting method.

3. Paragraph 57

Replace Note (viii) with:

(viii) For all Growers who are 'STS taxpayers' (for the 2003-04 and 2004-05 income years) and for those Growers who are 'STS taxpayers' continuing to use the cash accounting method (for the 2005-06 income year):

- an amount, shown in the above table or in the table at paragraph 58, that is not paid in the year it is incurred is only deductible to the extent to which it has been paid; and

- any amount or part of an amount shown in these tables which is not paid in the year in which it is incurred will be deductible in the year in which it is paid.

For Growers who are 'STS taxpayers' using the accruals accounting method, expenditure incurred in the 2005-06 income year is deductible in full in that year.

4. Paragraph 100

Replace the paragraph with:

100. Interest is deductible in the year in which it is incurred by Growers who are not 'STS taxpayers' or by Growers who are 'STS taxpayers' using the accruals accounting method for the 2005-06 income year.

5. Paragraph 101

Replace the paragraph with:

101. For all Growers who are 'STS taxpayers' for the 2003-04 and 2004-05 income years and for Growers who are 'STS taxpayers' continuing to use the cash accounting method for the 2005-06 income year, interest is not deductible until it has been both incurred and paid. If interest that is incurred in an income year remains unpaid at the end of the income year, the unpaid amount is deductible in the income year in which it is paid.

This Addendum applies on and from 1 July 2005.

Commissioner of Taxation

7 December 2005

ATO references

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