

PR 2003/7A2 - Addendum - Income tax: Sylvatech Tropical Timbers 2003

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Addendum

Product Ruling

Income tax: Sylvatech Tropical Timbers 2003

This Addendum amends Product Ruling PR 2003/7 to reflect changes to the simplified tax system legislation from the 2005-06 income year onwards.

PR 2003/7 is amended as follows:

1. Paragraph 2

Insert dot point:

- Division 328 of the *Income Tax (Transitional Provisions) Act 1997*;

2. Paragraph 45

After the paragraph insert:

45A. Changes to the STS rules apply from 1 July 2005. From that date, 'STS taxpayers' may use the accruals accounting method. For a Member participating in the Project, the recognition of income and the timing of tax deductions is different depending on whether the Member who was an 'STS taxpayer' prior to 1 July 2005 continues to use the cash accounting method (called the 'STS accounting method') – see sections 328-120 and 328-125 of the *Income Tax (Transitional Provisions) Act 1997*.

3. Paragraph 47

Omit the heading:

Tax outcomes for Growers who are not 'STS taxpayers'

substitute:

Tax outcomes for Growers who are not 'STS taxpayers' or who are 'STS taxpayers' using the accruals accounting method for the 2005-06 and later income years

4. Paragraph 49

(a) Insert the words:

or who is an 'STS taxpayer' using the accruals accounting method for the 2005-06 and later income years

after:

'STS taxpayer'

(b) In Note (iii) insert the words:

or who is an 'STS taxpayer' using the accruals accounting method for the 2005-06 and later income years

after:

'STS taxpayer'

in the first sentence.

5. Paragraph 50

Omit the heading:

Tax outcomes for Growers who are 'STS taxpayers'

substitute:

Tax outcomes for Growers who are 'STS taxpayers' or 'STS taxpayers' using the cash accounting method for the 2005-06 and later income years

6. Paragraph 52

(a) Insert the words:

or an 'STS taxpayer' using the cash accounting method for the 2005-06 and later income years

after:

'STS taxpayer'

in the first sentence.

(b) In Note (ix) insert the words:

or an 'STS taxpayer' using the cash accounting method for the 2005-06 and later income years

after:

'STS taxpayer'

in the first sentence.

7. Paragraph 94

Omit the paragraph; substitute:

94. A Grower who is an 'STS taxpayer' or an 'STS taxpayer' using the cash accounting method for the 2005-06 and later income years can, therefore, claim an immediate deduction for each of the relevant fees in the income year in which the fee is paid. A Grower who is not an 'STS taxpayer' or who is an 'STS taxpayer' using the accruals accounting method for the 2005-06 year and later can claim an immediate deduction for each of the relevant fees in the income year in which the fee is incurred.

This Addendum applies on and from 1 July 2005.

Commissioner of Taxation

28 June 2006

ATO references

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