

PR 2004/7A - Addendum - Income tax: Australian Olives Project No. 6

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Addendum

Product Ruling

Income tax: Australian Olives Project No. 6

This Addendum amends Product Ruling PR 2004/7 to reflect changes to simplified tax system legislation from 1 July 2005.

PR 2004/7 is amended as follows:

1. Paragraph 46

Omit the paragraph and substitute:

46. To be an 'STS taxpayer' a Member 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. For a Member participating in the Project, the recognition of income and the timing of tax deductions is different under the STS where the Member uses the cash accounting method.

2. Paragraph 58

Omit the paragraph and substitute:

58. Other than Members referred to in paragraph 58A, for the 2005-06 income year and later years, a Member will be assessable on ordinary income from carrying on their business of olive growing in the income year in which that income is derived.

3. After paragraph 58

Insert:

58A. A Member who is an 'STS taxpayer' using the cash accounting method will be assessable on ordinary income from carrying on their business of olive growing in the income year in which that income is received.

PR 2004/7**4. Paragraph 62**

Omit the table and substitute:

Fee Type	ITAA 1997 Sections	Year ended 30 June 2004	Year ended 30 June 2005	Year ended 30 June 2006
Grove Fee	8-1 & 328-105	\$2,060 – See Notes (viii), (ix) & (x) (below)	\$935 – See Notes (viii), (ix) & (x) (below)	\$935 (indexed) – See Notes (viii), (ix) & (x) (below)
Grove Licence Fee	8-1 & 328-105	\$33 – See Notes (viii), (ix) & (x) (below)	\$33 – See Notes (viii), (ix) & (x) (below)	\$33 (indexed) – See Notes (viii), (ix) & (x) (below)
Interest	8-1 & 328-105	When paid – See Note (xi) (below)	When paid – See Note (xi) (below)	As incurred (STS taxpayers using accruals accounting) or As paid (STS taxpayers using cash accounting) See Note (xi) (below)

5. Paragraph 63

(a) Omit the Table and substitute:

Fee Type	ITAA 1997 Sections	Year ended 30 June 2005	Year ended 30 June 2006	Year ended 30 June 2007
Grove Fee	8-1 & 328-105	\$2,060 – See Notes (viii), (ix) & (x) (below)	\$935 – See Notes (viii), (ix) & (x) (below)	\$935 (indexed) – See Notes (viii), (ix) & (x) (below)
Grove Licence Fee	8-1 & 328-105	\$33 – See Notes (viii), (ix) & (x) (below)	\$33 – See Notes (viii), (ix) & (x) (below)	\$33 (indexed) – See Notes (viii), (ix) & (x) (below)

Interest	8-1 & 328-105	When paid – See Note (xi) (below)	As incurred (STS taxpayers using accruals accounting) or As paid (STS taxpayers using cash accounting) See Note (xi) (below)	As incurred (STS taxpayers using accruals accounting) or As paid (STS taxpayers using cash accounting) See Note (xi) (below)
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(b) Omit the first sentence in Note (ix) and insert:

If, for any reason, an amount shown in the Table above is not fully paid in the year in which it is incurred by a Member, who is an 'STS taxpayer' prior to 1 July 2005 or an 'STS taxpayer' using the cash accounting method from 1 July 2005, then the amount is only deductible to the extent to which it has been paid, or has been paid for the Member.

(c) Omit the first sentence in Note (x) and insert:

Where a Member, who is an 'STS taxpayer' prior to 1 July 2005 or an 'STS taxpayer' using the cash accounting method from 1 July 2005, pays the Grove fees and Grove Licence fees in the relevant income years shown in the Grove Agreement and Grove Licence Agreement, those fees are deductible in full in the year that they are paid.

This Addendum applies on and from 1 July 2005.

Commissioner of Taxation

15 February 2006

ATO references

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