


***PR 2005/15A - Addendum - Income tax: 2005  
Timbercorp Almond Project - Early Growers (to 15  
June 2005)***

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# Addendum

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## Product Ruling

### Income tax: 2005 Timbercorp Almond Project – Early Growers (to 15 June 2005)

This Addendum amends Product Ruling PR 2005/15 to reflect changes to simplified tax system legislation from 2005-06 onwards.

#### **PR 2005/15 is amended as follows:**

##### **1. Paragraph 68**

Replace the paragraph with:

68. 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 71**

Replace the paragraph with:

71. Other than Growers referred to in paragraph 72, a Grower recognises ordinary income from carrying on their business of horticulture in the year in which that income is derived.

##### **3. Paragraph 72**

Replace the paragraph with:

72. A Grower who is an 'STS taxpayer' (for the 2004-05 income year) or an 'STS taxpayer' continuing to use the cash accounting method (for the 2005-06 and later income years) recognises ordinary income from carrying on their business of horticulture in the year in which the income is received.

**PR 2005/15****4. Paragraph 74**

- (a) Omit sentences before the table.
- (b) Replace the table with:

<b>Fee Type</b>	<b>Year ended 30 June 2005</b>	<b>Year ended 30 June 2006</b>	<b>Year ended 30 June 2007</b>
'Management Fee'	\$7,000 See Notes (i), (ii) & (iii)	\$1,500 See Notes (i), (ii) & (iii)	\$1,500 See Notes (i), (ii) & (iii)
'Rent'	nil	\$500 See Notes (i), (ii) & (iii)	\$500 See Notes (i), (ii) & (iii)
Interest on loans with Timbercorp Finance Pty Ltd	As incurred <b>(Non-STs taxpayers)</b> or as paid <b>(STs taxpayers)</b> See Notes (iii) & (iv)	As incurred <b>(Non-STs taxpayers &amp; STs taxpayers using accruals accounting method)</b> or as paid <b>(STs taxpayers using cash accounting method)</b> See Notes (iii) & (iv)	As incurred <b>(Non-STs taxpayers &amp; STs taxpayers using accruals accounting method)</b> or as paid <b>(STs taxpayers using cash accounting method)</b> See Notes (iii) & (iv)
'Loan Application Fee' for loans with Timbercorp Finance Pty Ltd	Must be calculated – See Note (v)	Must be calculated – See Note (v)	Must be calculated – See Note (v)

- (c) Replace Note (ii) with:
- (ii) Where the Grower is not an 'STs taxpayer' or who is an 'STs taxpayer' using the accruals accounting method (for the 2005-06 and 2006-07 income years), the 'Management Fees' and the 'Rent' shown in the Almondlot Management Agreement and the Sub-lease Deed are deductible in full in the year that they are incurred. Where the Grower is an 'STs taxpayer' (for the 2004-05 income year) or an 'STs taxpayer' continuing to use the cash accounting method (for the 2005-06 and 2006-07 income years), these fees are deductible in full in the year in which they are paid.

**5. Paragraph 103**

Replace the paragraph with:

103. A 'Participant Grower' who is an 'STS taxpayer' (for the 2004-05 income year) or an 'STS taxpayer' continuing to uses the cash accounting method (for the 2005-06 and 2006-07 income years) can, therefore, claim a deduction for each of the relevant amounts in the income year in which the amount is paid. A 'Participant Grower' who is not an 'STS taxpayer' or who is an 'STS taxpayer' using the accruals accounting method (for the 2005-06 and 2006-07 income years) can claim a deduction for each of the relevant amounts in the income year in which the fee is incurred.

This Addendum applies on and from 1 July 2005.

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**Commissioner of Taxation**  
7 December 2005

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## ATO references

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