


# ***PR 2005/46A - Addendum - Income tax: Australian Bight Abalone Project***

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## Addendum

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### Product Ruling

### Income tax: Australian Bight Abalone Project

This Addendum amends Product Ruling PR 2005/46 to reflect changes to the simplified tax system legislation from 1 July 2005.

#### **PR 2005/46 is amended as follows:**

##### **1. Paragraph 62**

Omit the paragraph and substitute:

62. 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. For a Grower participating in the Project, the recognition of income and the timing of tax deductions is different under the STS where the Grower uses the cash accounting method.

##### **2. Paragraph 65**

Omit the paragraph and substitute:

65. A Grower will recognise ordinary income from carrying on the business of aquaculture at the time that income is derived when they are:

- not an 'STS taxpayer', or
- an 'STS taxpayer' using the accruals accounting method for the 2005-06 and later income years.

##### **3. Paragraph 66**

Omit the paragraph and substitute:

66. A Grower who is an 'STS taxpayer' using the cash accounting method will recognise ordinary income from carrying on their business of aquaculture in the income year in which that income is received.

# PR 2005/46

This Addendum applies on and from 1 July 2005.

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**Commissioner of Taxation**

21 September 2005

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ATO references

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