

# ***PR 2006/27A - Addendum - Income tax: 2006 Grain Co-Production Project***

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## Addendum

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### Product Ruling

#### Income tax: 2006 Grain Co-Production Project

This Addendum amends Product Ruling PR 2006/27 to reflect how the Commissioner will exercise his discretion under Division 35 of the *Income Tax Assessment Act 1997* for the year ended 30 June 2007.

#### **PR 2006/27 is amended as follows:**

##### **1. Paragraph 88**

After the paragraph, insert:

88A. A Grower who is an individual accepted into the Project by 31 May 2006 may have losses arising from their participation in the Project that would be deferred to a later income year under section 35-10. Subject to the Project being carried out in the manner described above, the Commissioner will exercise the discretion in paragraph 35-55(1)(a) for these Growers for the income year ending **30 June 2007**. This conditional exercise of the discretion will allow those losses to be offset against the Grower's other assessable income in the income year in which the losses arise.

##### **2. Paragraph 115**

After the paragraph, insert:

115A. In deciding to exercise the discretion in paragraph 35-55(1)(a) on a conditional basis for the income year ending **30 June 2007** the Commissioner has applied the principles set out in Taxation Ruling TR 2007/6 Income tax: non-commercial business losses: Commissioner's discretion. Accordingly, based on the evidence supplied, the Commissioner has determined that for the income year ended 30 June 2007 it is unreasonable to apply the rule in section 35-10 as the Project activity was affected by special circumstances outside the control of the Responsible Entity.

### 3. Paragraph 116

Omit; substitute:

116. The exercise of the Commissioner's discretion under paragraphs 35-55(1)(a) and (b) is conditional on the Project being carried on in the manner described in this Ruling during the income years specified. If the Project is carried out in a materially different way to that described in the Ruling a Grower will need to apply for a private ruling on the application of section 35-55 to those changed circumstances.

### 4. Related Rulings/Determinations

Insert:

TR 2007/6

### 5. Legislative references

Insert:

- ITAA 1997 35-55(1)(a)

This Addendum applies on and from 29 March 2006.

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**Commissioner of Taxation**

23 January 2008

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ATO references

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