


PR 2006/66WA1 - Addendum to Withdrawal - Income tax: ITC Red Mahogany Project 2006 - Pre 1 July 2006 Growers

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Addendum

Product Ruling

Income tax: ITC Red Mahogany Project 2006 – Pre 1 July 2006 Growers

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Product Ruling PR 2006/66W to provide information about the tax consequences for Growers following the termination of the Project.

PR 2006/66W is amended as follows:

1. Paragraph 1

Omit the paragraph; substitute:

1. This Product Ruling has been withdrawn in accordance with subsection 358-20(1) of Schedule 1 to the *Taxation Administration Act 1953*, which states the Commissioner may withdraw a public ruling either wholly or to an extent.
2. Product Ruling PR 2006/66 set out the Commissioner's opinion on tax consequence for persons participating in the ITC Red Mahogany Project 2006 ('the Project'), a forestry managed investment scheme, entered into for the purpose of establishing and harvesting Red Mahogany trees for commercial sale.
3. The Responsible Entity advised that the Project was terminated early as cyclones had destroyed the entire Red Mahogany estate.
4. The termination of Growers' interests in the Project does not disturb the tax treatment of Growers' previous outgoings as set out in PR 2006/66 provided that the Project was carried out in the manner described in the Ruling up until the date of the destruction of Red Mahogany plantations.
5. Paragraph 61 of PR 2006/66 ruled that Growers can claim deductions for interest incurred under a loan agreement with ITC Finance Pty Ltd or the Nominated Financier as described at paragraphs 46 to 52 of PR 2006/66. Growers taking up a 10 year loan option may continue to incur interest on the loan after termination of the Project. Interest expenses will continue to be deductible provided Growers meet certain requirements outlined in TR 2004/4 *Income tax: deductions for interest incurred prior to the commencement of, or following the cessation of, relevant income earning activities*.

PR 2006/66

This Addendum applies on and from 18 December 2013.

Commissioner of Taxation
18 December 2013

ATO references

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