

# ***PR 2006/87A - Addendum - Income tax: Moora Citrus Project - 2006 Growers***

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## Addendum

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### Product Ruling

### Income tax: Moora Citrus Project – 2006 Growers

This Addendum amends Product Ruling PR 2006/87 to specify that Growers may borrow the amounts payable to the Responsible Entity in respect of Rent and the Ongoing Management Fee for the 2007 income year (in addition to the Application Fee).

#### **PR 2006/87 is amended as follows:**

##### **1. Paragraph 17**

Add the following dot point:

- Additional correspondence, received 14 September 2006 and 5 October 2006;

##### **2. Paragraph 64**

Omit the paragraph; substitute:

64. Growers can apply to borrow the Application Fee of \$4,500 per Citruslot payable on application, the Rent of \$290 per Citruslot for the 2007 income year payable by 30 September 2006 and the Ongoing Management Fee of \$2,210 per Citruslot for the 2007 income year payable by 30 September 2006, from Momentum Investment Finance Pty Limited by completing the relevant Finance Application Form.

##### **3. Paragraph 67**

Omit the paragraph; substitute:

67. An Application Fee of \$250 plus 0.5% of the amount borrowed in respect of the Application Fee is payable on application. In addition an Application Fee of 0.5% of the amount borrowed in respect of the Rent and Ongoing Management Fee for the 2007 income year, is payable by 30 September 2006. These fees may be added to the loan. The maximum amount of finance that can be received by a Grower is \$250,000.

#### 4. Paragraph 73

After the first dot point, insert:

- Growers whose application has been conditionally accepted by the Responsible Entity subject to finance for the payment of the Rent and Ongoing Management Fee for the 2007 income year, where the finance has not been approved by the lender and funds have not been made available to the Responsible Entity by 30 September 2006; or

#### 5. Paragraph 80

Omit Note (v); substitute:

- (v) The Loan Application fee (and stamp duty, if applicable) is a borrowing expense and is deductible under section 25-25. It is incurred for borrowing money that is used or is to be used during that income year solely for income producing purposes. Borrowing expenses of \$100 or less are deductible in the year in which they are incurred. If the borrowing expenses are greater than \$100, the deduction is spread over the period of the loan or 5 years, whichever is the shorter. The deductibility or otherwise of borrowing costs arising from loan agreements entered into with financiers other than Momentum Investment Finance Pty Limited is outside the scope of this Ruling.

This Addendum applies on and from 17 May 2006.

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**Commissioner of Taxation**

18 October 2006

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ATO references

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