

PR 2007/102W - Income tax: Great Southern 2008 Almond Income Project



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This document has changed over time. This is a consolidated version of the ruling which was published on *1 December 2010*



Notice of Withdrawal

Product Ruling

Income tax: Great Southern 2008 Almond Income Project

Product Ruling PR 2007/102 is withdrawn with effect from today.

1. Product Ruling PR 2007/102 set out the Commissioner's opinion on the tax consequences for entities, within the defined class of entities listed in the ruling, participating in the almond growing scheme known as the Great Southern 2008 Almond Income Project (the Project).
2. On 18 May 2009, the Great Southern Limited group of companies, including Great Southern Managers Australia Limited (GSMAL) were placed into receivership. At a meeting of Growers held 26 February 2010 Rural Funds Management Limited (RFM) was appointed by the Growers to replace GSMAL as Responsible Entity for this Project.
3. RFM has implemented some changes to the operation of the Project that will alter the tax outcomes and therefore constitute a material difference to the scheme described in PR 2007/102. Accordingly, PR 2007/102 has no binding effect on the Commissioner with respect to acts carried out under the Project from 26 February 2010. PR 2007/102 is being withdrawn and replaced by Product Ruling PR 2010/28 which rules on the tax consequences of the revised arrangement from 26 February 2010.
4. Although withdrawn, PR 2007/102 continues to apply to Growers who were accepted to participate in the Project under the defined class of entities in paragraphs 4 and 5 of that Ruling. It may therefore be relied upon for acts carried out under the Project before 26 February 2010 subject to there being no other material difference, other than the material difference described in paragraph 3 of this Notice of Withdrawal, in the arrangement, or in the Growers' involvement in the arrangement prior to 26 February 2010 (see paragraphs 33 to 94 of PR 2007/102).

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5. Whilst PR 2010/28 rules on tax consequences for Growers continuing in the Project, some investors may cease their involvement. Such Growers may have interest expenses on loans taken out to fund their participation in the Project. Where a business activity has ceased, ongoing interest will continue to be deductible unless an event or circumstance occurs to break the connection between the loan and the business activity. Where a loan is refinanced, renegotiated or the purpose of the loan is otherwise altered, the connection to the income earning activity may be broken and the interest may no longer be deductible. For more information refer to paragraph 50 of Taxation Ruling TR 2004/4 which provides guidance on what needs to be considered to determine if the necessary connection still exists following the cessation of relevant income earning activities.

Commissioner of Taxation
1 December 2010

ATO references

NO: 1-2C5TL5W
ISSN: 1441-1172
ATOlaw topic: Income Tax ~~ Product ~~ almonds