



PR 2007/77 - Income tax: NTT Mahogany 2006-2008 (2008 Growers)

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 This document has changed over time. This is a consolidated version of the ruling which was published on *5 September 2007*



Product Ruling

Income tax: NTT Mahogany 2006-2008 (2008 Growers)

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! This publication provides you with the following level of protection:

This publication (excluding appendixes) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes.

If you rely on this ruling, we must apply the law to you in the way set out in the ruling (or in a way that is more favourable for you if we are satisfied that the ruling is incorrect and disadvantages you, and we are not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

No guarantee of commercial success

The Tax Office does not sanction or guarantee this product. Further, we give no assurance that the product is commercially viable, that charges are reasonable, appropriate or represent industry norms, or that projected returns will be achieved or are reasonably based.

Potential participants must form their own view about the commercial and financial viability of the product. We recommend a financial (or other) adviser be consulted for such information.

This Product Ruling provides certainty for potential participants by confirming that the tax benefits set out in the Ruling part of this document are available, provided that the scheme is carried out in accordance with the information we have been given, and have described below in the Scheme part of this document. If the scheme is not carried out as described, participants lose the protection of this Product Ruling.

Terms of use of this Ruling

This Product Ruling has been given on the basis that the entity(s) who applied for the Product Ruling, and their associates, will abide by strict terms of use. Any failure to comply with the terms of use may lead to the withdrawal of this Product Ruling.

What this Ruling is about

1. This Product Ruling sets out the Commissioner's opinion on the way in which the relevant provision(s) identified in the Ruling section (below) apply to the defined class of entities, who take part in the scheme to which this Ruling relates. Unless otherwise indicated, all legislative references in this Ruling are to the *Income Tax Assessment Act 1997* (ITAA 1997). In this Product Ruling the scheme is referred to as the Income tax: NTT Mahogany Project 2006 -- 2008 (2008 Growers) or simply as 'the Project'.

Class of entities

2. This part of the Product Ruling specifies which entities can rely on the tax benefits set out in the Ruling section of this Product Ruling and which entities cannot rely on those tax benefits. In this Product Ruling, those entities that can rely on the tax benefits set out in this Ruling are referred to as Grower. The members of the class of entities who are subject to those taxation obligations and who can rely on those taxation benefits are referred to as 'Growers'.

3. Growers will be those entities that are accepted to participate in the scheme specified below as initial participants¹ on or after the date this Product Ruling is made and has executed the relevant Project Agreements set out in paragraph 36 on or before 30 June 2008. They must have a purpose of staying in the scheme until it is completed (that is being a party to the relevant agreements until their term expires), and deriving assessable income from this involvement in this Ruling.

4. The class of entities who can rely on the tax benefits set out in the Ruling section of this Product Ruling does **not** include entities who:

- participate in the scheme other than as initial participants;
- are accepted into this Project before the date of this Ruling or after 30 June 2008;
- do not enter into a Woodlot Licence within 9 months of the first 2008 Grower entering into a Grower's Agreement to License;
- intend to terminate their involvement in the scheme prior to its completion, or who otherwise do not intend to derive assessable income from it;
- participate in the scheme through offers made other than through the Product Disclosure Statement (PDS);

¹ For the purposes of this Product Ruling an 'initial participant' means a participant who has obtained their interest in the scheme from the Responsible Entity or the Manager of the scheme.

- have their Terms Agreement varied or replaced in any manner that falls outside the payment terms as described in this Ruling at paragraphs 79 to 84 of this Ruling;
- enter into any finance arrangements or any other arrangements other than the Terms Agreement as described in this Ruling; or
- elect to market and sell their own timber.

Superannuation Industry (Supervision) Act 1993

5. This Product Ruling does not address the provisions of the *Superannuation Industry (Supervision) Act 1993* (SISA 1993). The Tax Office gives no assurance that the product is an appropriate investment for a superannuation fund. The trustees of superannuation funds are advised that no consideration has been given in this Product ruling as to whether investment in this product may contravene the provisions of SISA 1993.

Qualifications

6. The class of entities defined in this Product Ruling may rely on its contents provided the scheme actually carried out is carried out in accordance with the scheme described in paragraphs 35 to 84 of this Ruling.

7. If the scheme actually carried out is materially different from the scheme that is described in this Product Ruling, then:

- this Product Ruling has no binding effect on the Commissioner because the scheme entered into is not the scheme on which the Commissioner has ruled; and
- this Product Ruling may be withdrawn or modified.

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Date of effect

9. This Product Ruling applies prospectively from 5 September 2007, the date this Product Ruling is made. It therefore applies only to the specified class of entities that enter into the scheme from 5 September 2007 until 30 June 2008, being the closing date for entry into the scheme. This Product Ruling provides advice on the availability of tax benefits to the specified class of entities for the income years up to 30 June 2008.

10. However the Product Ruling only applies to the extent that:

- there is no change in the scheme or in the entity's involvement in the scheme;
- it is not later withdrawn by notice in the *Gazette*; or
- the relevant provisions are not amended.

11. If this Product Ruling is inconsistent with a later public or private ruling, the relevant class of entities may rely on either ruling which applies to them (item 1 of subsection 357-75(1) of Schedule 1 to the *Taxation Administration Act 1953* (TAA)).

12. If this Product Ruling is inconsistent with an earlier private ruling, the private ruling is taken not to have been made if, when the Product Ruling is made, the following two conditions are met:

- the income year or other period to which the rulings relate has not begun; and
- the scheme to which the rulings relate has not begun to be carried out.

13. If the above two conditions do not apply, the relevant class of entities may rely on either ruling which applies to them (item 3 of subsection 357-75(1) of Schedule 1 to the TAA).

Changes in the law

14. Although this Product Ruling deals with the laws enacted at the time it was issued, later amendments to the law may impact on this Product Ruling. Any such changes will take precedence over the application of this Product Ruling and, to the extent of those amendments this Product Ruling will have no effect.

15. Entities who are considering participating in the scheme are advised to confirm with their taxation adviser that changes in the law have not affected this Product Ruling since it was issued.

Note to promoters and advisers

16. Product Rulings were introduced for the purpose of providing certainty about tax consequences for entities in schemes such as this. In keeping with that intention the Tax Office suggests that promoters and advisers ensure that participants are fully informed of any legislative changes after the Product Ruling is issued.

Goods and Services Tax

17. All fees and expenditure referred to in this Product Ruling include the Goods and Services Tax (GST) where applicable. In order for an entity (referred to in this Ruling as a Grower) to be entitled to claim input tax credits for the GST included in its expenditure, it must be registered or required to be registered for GST and hold a valid tax invoice.

Ruling**Application of this Ruling**

18. Subject to the stated qualifications, this part of the Product Ruling sets out in detail the taxation obligations and benefits for a Grower in the defined class of entities who enters into the scheme described at paragraphs 35 to 84 of this Ruling.

19. The Grower's participation in the Project must constitute the carrying on of a business of primary production. Provided the Project is carried out as described below, the Grower's business of primary production will commence at the time of entry into the Project Operations Agreement and Woodlot Licence (or Growers Agreement to License), on or before 30 June 2008.

20. A Grower is not eligible to claim any tax deductions until the Grower's application to enter the Project is accepted and the Project has commenced.

Concessions for 'small business entities'²

21. From the 2007-08 income year, a range of concessions previously available under the STS, will be available to an entity if it carries on a business and satisfies the \$2 million aggregated turnover test (a 'small business entity').

22. A 'small business entity' can choose the concessions that best suit its needs. Eligibility for some small business concessions is also dependent on satisfying some additional conditions. Because of these choices and the eligibility conditions the application of the small business concessions to Growers who qualify as a 'small business entity' is not able to be dealt with in this Ruling.

² The meaning of 'small business entity' is explained in section 328-110.

Deductions for the Initial Application Fee***Section 8-1 and Division 27 of the ITAA 1997 and section 82KZMG of the Income Tax Assessment Act 1936***

23. Other than where a 'CGT event'³ happens to their interest within 4 years of 30 June 2008 (see paragraph 25 of this Ruling), a Grower who is an initial participant in the scheme may claim tax deductions for the following amount on a per Woodlot basis.

Fee Type	ITAA section	Year ending 30 June 2008
Application Fee	8-1	\$6,900 See Notes (i) and (ii)

Notes:

- (i) If the Grower is registered or required to be registered for GST, amounts of outgoing would need to be adjusted as relevant for GST (for example, input tax credits): Division 27.
- (ii) Under section 82KZMG of the *Income Tax Assessment Act 1936* (ITAA 1936) the Application Fee is expenditure for 'seasonally dependent agronomic activities' (see paragraphs 96 to 104 of this ruling) and is deductible in the income year in which it is incurred.

'CGT event' within 4 years for Growers who are 'initial participants'***Section 82KZMGA***

24. A deduction for the Application Fee is not allowable where a 'CGT event' happens in relation to a Grower's interest before 1 July 2012 (subsection 82KZMGA(1)).

25. Where deductions for these amounts have already been claimed by a Grower the Commissioner may amend their assessment at any time within two years after the end of the income year in which the 'CGT event' happens. The Commissioner's power to amend in these circumstances applies despite section 170 of the ITAA 1936 (subsection 82KZMGA(2)).

26. Growers whose deductions are disallowed are still required to include in their assessable income the market value of the interest at the time of the 'CGT event' or the decrease in the market value of the interest as a result of the 'CGT event' (see paragraphs 105 to 107 of this Ruling).

³ Defined in section 995-1.

Deductions for loan interest and borrowing costs***Sections 8-1, 25-25 and 40-880 and Division 27***

27. A Grower who is an initial participant in the scheme may also claim tax deductions for the following fees and expenses on a per Woodlot basis, as set out in the Table below.

Fee Type	Year ending 30 June 2008
Interest on loans with Momentum Investment Finance Pty Limited or United Pacific Finance Pty Limited	As incurred See Note (iii)
Establishment Fee	Must be calculated See Note (iv) & (v)

Notes:

- (iii) Interest on loans with Momentum Investment Finance Pty Limited or United Pacific Finance Pty Limited is deductible in the year in which it is incurred (section 8-1). The deductibility or otherwise of interest arising from agreements entered into with financiers other than Momentum Investment Finance Pty Limited or United Pacific Finance Pty Limited, is outside the scope of this Ruling. Prepayments of interest to any lender, including Momentum Investment Finance Pty Limited or United Pacific Finance Pty Limited, are also not covered by this Product Ruling. Growers who enter into agreements with other financiers and/or prepay interest may request a private ruling on the deductibility of the interest incurred (see paragraph 98 of this Ruling)
- (iv) The Establishment Fee payable to either Momentum Investment Finance Pty Limited or United Pacific Finance Pty Limited is a borrowing expense and is deductible under section 25-25. The deduction for the borrowing expense is spread over 5 years on a straight line basis from the date the loan begins.
- (v) The deductibility or otherwise of borrowing costs arising from loan agreements entered into with financiers other than Momentum Investment Finance Pty Limited or United Pacific Finance Pty Limited, is outside the scope of this Ruling.

Assessable income from 'CGT events' for Growers who are initial participants***Sections 6-10, 17-5 and 118-20 of the ITAA 1997 and section 82KZMGB of the ITAA 1936***

28. Where a 'CGT event' (other than a 'CGT event' in respect of a thinning⁴ – see paragraph 33 of this Ruling) happens to the interest held by a Grower who is an initial participant in this Project, the market value of the interest, or the decrease in the market value of the interest, is included in the Grower's assessable income (section 6-10 of the ITAA 1997 and section 82KZMGB of the ITAA 1936), less any GST payable on those proceeds (section 17-5 ITAA 1997).

29. The amount is included in the Grower's assessable income in the income year in which the 'CGT event' happens (subsection 82KZMGB(2) of the ITAA 1936).

30. 'CGT events' for these purposes include those relating to:

- a **clear-fell harvest of all or part of the trees** grown on the Grower's Woodlot(s);
- the **sale, or any other disposal** of all or part of the 'interest' in the Project held by the Grower; or
- any other 'CGT event' that results in a reduction of the market value of the 'interest' in the Project held by the Grower.

31. Where an amount arising from a 'CGT event' is included in the assessable income of a Grower by section 82KZMGB of the ITAA 1936 the anti-overlap provisions in section 118-20 of the ITAA 1997 will operate to exclude that amount from the capital gains provisions in Part 3-1 of the ITAA 1997.

Amounts received by Growers where the Project trees are thinned***Sections 6-5 and 17-5***

32. An amount received by a Grower in respect of a thinning of the trees grown in this Project is not an amount received as a result of a 'CGT event' and is not otherwise assessable under section 82KZMGB of the ITAA 1936. The amount is a distribution of ordinary income that arises as an incident of the Grower holding an interest in the Project. Growers include amounts received for thinning the trees in their assessable income in the income year in which the amounts are derived (section 6-5 of the ITAA 1997) less any GST payable on those proceeds (section 17-5 of the ITAA 1997).

⁴ A thinning of the trees includes a selective harvest of immature trees to facilitate better outcomes at harvest. A thinning differs from a clear fell of a percentage of mature trees which may occur over two or more income years.

Division 35 – deferral of losses from non-commercial business activities***Section 35-55 – exercise of Commissioner’s discretion***

33. A Grower who is an individual accepted into the Project in the year ended 30 June 2008 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)(b) for Growers for the income years ended **30 June 2008 to 30 June 2024**. 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.

Prepayment provisions and anti-avoidance provisions***Sections 82KZME, 82KZMF and 82KL and Part IVA***

34. For a Grower who commences participation in the Project and incurs expenditure as required by the Woodlot Licence and the Project Operations Agreement, the following provisions of the ITAA 1936 have application as indicated:

- expenditure by a Grower does not fall within the scope of sections 82KZME and 82KZMF;
- section 82KL does not apply to deny the deductions otherwise allowable; and
- the relevant provisions in Part IVA will not be applied to cancel a tax benefit obtained under a tax law dealt with in this Ruling.

Scheme

35. The scheme, NTT Mahogany Project 2006 – 2008 ARSN 118 011 457 (formerly NTT Mahogany Project No. 2), that is the subject of this Ruling is specified below. This scheme incorporates the following:

- Application for a Product Ruling dated 14 September 2006 received 15 September 2006, including additional correspondence and e mails received 5 February 2007, 16 February 2007, 22 February 2007, 27 February 2007, 13 April 2007, 16 July 2007, 20 July 2007 and 13 August 2007;
- **Consolidated Constitution** for the NTT Mahogany Project 2006 – 2008 between Grower and Primary Securities Ltd dated 6 October 2006 and received on 30 April 2007;

- Rules for the NTT Mahogany Project No. 2 by Primary Securities Ltd dated 30 June 2006 and received on 30 April 2007;
- Planting Agreement for the NTT Mahogany Project No. 2 between Primary Securities Ltd and Northern Tropical Timbers Pty Ltd (Planting Company) dated 28 February 2006 and received on 30 April 2007;
- Compliance Plan for the NTT Mahogany Project No. 2 dated 20 January 2006 and received on 30 April 2007;
- Maintenance Agreement for the NTT Mahogany Project No. 2 between Primary Securities Ltd and NTT Forestry Pty Ltd (Land Company) dated 28 February 2006 and received on 30 April 2007;
- Processing and Marketing Agreement for the NTT Mahogany Project No. 2 between Primary Securities Ltd and NTT Timber Products Pty Ltd (Timber Company) dated 28 February 2006 and received on 30 April 2007;
- Option to Purchase Property - M'Oganwo Station between NTT Land Holdings Pty Ltd (as the Seller) and NTT Forestry Pty Ltd (as the Buyer) dated 9 June 2006 and received on 30 April 2007;
- Head Lease between NTT Land Holdings Pty Ltd and NTT Forestry Pty Ltd and registered with the Land Title's Office in the Northern Territory on 1 September 2006 and received on 20 July 2007;
- Sub-Lease between NTT Forestry Pty Ltd and Primary Securities Ltd and registered with the Land Title's Office in the Northern Territory on 4 September 2006 and received on 30 April 2007;
- **Grower's Agreement to License** for the NTT Mahogany Project No. 2 between Primary Securities Ltd and the Grower, and received on 20 July 2007;
- Performance Guarantee & Indemnity for the NTT Mahogany Project No. 2 by NTT Land Holdings Pty Ltd, NTT Forestry Pty Ltd, Northern Tropical Timbers Pty Ltd and NTT Timber Products Pty Ltd in favour of Primary Securities Ltd dated 28 February 2006 and received on 30 April 2007;
- Responsible Entity Services Agreement for the NTT Mahogany Project No. 2 between Primary Securities Ltd and Northern Tropical Timbers Pty Ltd, NTT Forestry Pty Ltd and NTT Timber Products Pty Ltd, dated 28 February 2006 and received on 30 April 2007;

- Supplementary Product Disclosure Statement for NTT Mahogany Project 2006 – 2008 dated 26 February 2007 and received on 30 April 2007;
- **Consolidated Project Operations Agreement** for NTT Mahogany Project 2006 – 2008 between the Grower and Primary Securities Ltd and received on 13 August 2007;
- **Consolidated Woodlot Licence** NTT Mahogany Project 2006 – 2008 (Northern Territory Land) between Grower and Primary Securities Ltd and received on 30 April 2007;
- Product Disclosure Statement for NTT Mahogany Project 2006 – 2008 dated 1 November 2006 and received on 14 December 2006;
- **Terms Agreement** for the NTT Mahogany Project 2006 – 2008 and received on 20 July 2007;
- Deed of Subordination for the NTT Mahogany Project No. 2 between Primary Securities Ltd, Northern Tropical Timbers Pty Ltd and Karehana Pty Ltd dated 20 June 2006 received on 30 April 2007;
- Fixed and Floating Charge for the NTT Mahogany Project 2006 – 2008 between Northern Tropical Timbers Pty Ltd and NTT Forestry Pty Ltd in favour of Primary Securities Ltd, dated 29 May 2007 and received on 24 August 2007; and
- Custodian Agreement for NTT Mahogany Project No. 2 between Primary Securities Ltd and Robert Garton Smith trading as Garton Smith & Co dated 30 January 2006 and received on 30 April 2007.

Note: certain information has been provided on a commercial-in-confidence basis and will not be disclosed or released under Freedom of Information legislation.

36. All Australian Securities and Investment Commission (ASIC) requirements are, or will be, complied with for the term of the agreements.

37. The documents highlighted are those that a Grower may enter into. For the purposes of describing the scheme to which this Ruling applies, there are no other agreements, whether formal or informal, and whether or not legally enforceable, which a Grower, or any associate of a Grower, will be a party to, which are a part of the scheme.

Overview

38. This scheme is called the NTT Mahogany Project 2006 – 2008 ARSN 118 011 456 (formerly called NTT Mahogany Project No 2). The main features of the Project are as follows:

Location	M'Oganwo Station in the Douglas Daly region in the Northern Savanna area of the Northern Territory, 160km south of Darwin or further land in the Douglas Daly region of the Northern Territory.
Type of business to be carried on by each Grower	Commercial growing and cultivation of <i>Khaya senegalensis</i> (African Mahogany) for the purpose of harvesting, milling and selling timber.
Number of hectares offered for cultivation	1,943 or more if oversubscriptions are accepted.
Size of each Woodlot	0.25 hectares
Number of trees per hectare	568
Term of the Project	16 years
Initial Cost per Woodlot	\$6,900
Ongoing and other costs	<ul style="list-style-type: none"> • Licence fee of 5% of Net Proceeds of Sale • Maintenance Fee of 5% of Net Proceeds of Sale • Marketing Fee of 5% of Net Proceeds of Sale • Timber Production Costs (includes Harvest Fee) payable out of Gross Harvest Proceeds • Potential Incentive Fee of 25% of Net Harvest Returns • Potential Last Resort Management Fee
Minimum allocation	2 Woodlots at a minimum allocation cost of \$13,800

39. The Project is registered as a Managed Investment Scheme under the *Corporations Act 2001*. Primary Securities has been issued with Financial Services Licence Number 224107 and will be the Responsible Entity for the Project. The Project will be conducted on land located in the Douglas Daly region of the Northern Territory on a property known as 'M'Oganwo Station' and on further land that will be acquired in the Douglas Daly region of the Northern Territory. 'M'Oganwo Station' is more particularly described as the land on NT Portion 6069 from plan(s) S2000/223A and being the whole of the land comprised in Certificate of Title Volume 698 Folio 043.

40. This Project pertains to 4,000 Woodlots of 0.25 hectares each offered under a Product Disclosure Statement (PDS) with 1,943 lots being available for 2008 Growers. The minimum allocation per participant is two Woodlots totalling 0.5 hectares in size.

41. Growers participating in the Project will enter into a Woodlot Licence. Under this Woodlot Licence, Growers license an area of land called a 'Woodlot' for a term of approximately 16 years for the purpose of Tree Farming. Each Woodlot will be planted with Mahogany seedlings at the rate of no less than 568 trees per hectare. In the event that there are oversubscriptions and no suitable land available, Growers will first enter into the Grower's Agreement to License pending suitable land being selected upon which they will then enter into the Woodlot Licence.

42. Under this offer, Growers may enter the Project in either the 2006, 2007 or 2008 income year. Growers who are allotted Woodlots during the income year ended 30 June 2008 are defined as '2008 Growers' for the purpose of this Ruling and may be covered by this Ruling. Growers who are allotted Woodlot/s during the income year ended 30 June 2006 are defined as '2006 Growers' to whom PR 2006/34 or PR 2006/100 may apply and Growers who are allotted Woodlot/s during the income year ended 30 June 2007 are defined as '2007 Growers' to whom PR 2006/35, PR 2006/101 (amended by Addendum PR 2006/101A) or PR 2007/43 may apply.

43. The Growers enter into a Consolidated Project Operations Agreement with the Responsible Entity for the management of their Woodlots. The Responsible Entity will sub-contract the Planting Company and the Land Company to provide these services. The Planting Company will be responsible for planting the Trees and the Land Company for cultivating the Trees.

44. Growers may elect to harvest and sell their own timber by notice in writing to the Responsible Entity by 30 June 2009. Alternatively, the Responsible Entity will sub-contract Timber Company to harvest and sell the Timber on behalf of the Growers.

45. Under the terms of the Maintenance Agreement, the Land Company undertakes that there will be an average of at least 142 healthy Trees on each Woodlot at the end of the 13-month period following planting. Should the average not exceed the minimum planting density of 142 healthy Trees, the Land Company will have replacement Trees planted to ensure the minimum planting density.

46. Three thinnings or harvests will be undertaken during the term of the Woodlots. Half the trees will be thinned prior to year 6, a second thinning of 25% will take place at approximately year 11 and the final harvest of the balance will take place around year 16 of the Project. The Grower will receive any proceeds from thinnings or harvests and 50% of any carbon credits.

47. The Responsible Entity will accept applications made by Growers where the Application Fees are paid in accordance with the 'Terms Agreement'.

48. The Woodlot Licence (or Grower's Agreement to License) and Consolidated Project Operations Agreement (Project Documents) come into effect on acceptance of a Grower's application by the Responsible Entity.

Consolidated Constitution

49. The Consolidated Constitution establishes the Project and operates as a deed binding on all Growers and Primary Securities Ltd. The Consolidated Constitution sets out the terms and conditions under which Primary Securities Ltd agrees to act as Responsible Entity and thereby manage the Project. Upon acceptance into the Project, Growers are bound by the Consolidated Constitution by virtue of their participation in the Project. In order to acquire an interest in the Project, the Grower must make an application for Woodlots and the Responsible Entity must accept the Application in accordance with clause 3. The Responsible Entity will deposit all Application Fees received from Applicants in a Trust Account (paragraph 6(a)).

50. Once the Responsible Entity has accepted the Application all of the Project Documents are deemed to have been entered into by the Grower (clause 6). The Grower shall pay the Management Fee and Project Fees to the Responsible Entity by the date for payment under the Woodlot Licence or the Consolidated Project Operations Agreement, as the case may be.

51. In summary, the Consolidated Constitution also sets out provisions relating to:

- various Agreements between parties to the project;
- the application process;
- the Responsible Entity's powers; and
- commencement and termination of the Project.

Compliance Plan

52. As required by the *Corporations Act 2001*, a Compliance Plan has been prepared for the Project. Its purpose is to ensure that the Responsible Entity manages the Project in accordance with its obligations and responsibilities contained in the Consolidated Constitution and that the interests of Growers are protected.

Woodlot Licence (or Grower's Agreement to License)

53. Primary Securities Ltd procures the land from the Land Company via a Sub-Lease for approximately 17 years. Growers participating in the Project will then enter into a Woodlot Licence with Primary Securities Ltd in its capacity as Responsible Entity. Growers are granted a licence to use their Woodlots for the purpose of conducting their afforestation business upon the terms and conditions as set out in the Consolidated Woodlot Licence.

54. The Consolidated Woodlot Licence will commence on the date Woodlots are allotted to Growers and will continue for 12 years, the maximum allowed under Northern Territory law. After this date, the Consolidated Woodlot Licence will be renewed until the completion of the final harvest approximately four years later. In the event that there are over subscriptions and no suitable land available, Growers will enter into the Grower's Agreement to License pending suitable land being selected upon which they will enter into the Woodlot Licence. This Product Ruling will not apply to any Grower who does not enter into a Woodlot Licence within 9 months of the first 2008 Grower entering into a Grower's Agreement to License.

55. Each Grower must pay a Licence Fee to the Responsible Entity from Net Proceeds of Sale.

Consolidated Project Operations Agreement

56. The Consolidated Project Operations Agreement is between the Grower and Primary Securities Ltd as the Responsible Entity. Each Grower agrees to engage the Responsible Entity of the Project to perform services under the Agreement.

57. The Consolidated Project Operations Agreement sets out all the services to be performed under the agreement. The Planting Services are those services to be performed under the Planting Agreement relevant to the main planting and establishment of the Trees on the Woodlots. These include:

- tending to the seedlings prior to planting;
- ripping;
- mounding;

- applying fertiliser or herbicide to the seedlings prior to and during planting; and
- planting the seedlings.

58. The Planting Services will be completed within 12 months of the Growers application being accepted (sub-clause 5.1 of the Consolidated Project Operations Agreement). The Responsible Entity will sub-contract the performance of these services to Planting Company under the terms of the Planting Agreement.

59. The Responsible Entity is contracted under the Consolidated Project Operations Agreement to perform the Maintenance Services. The Responsible Entity will sub-contract the performance of these services to Land Company under the terms of the Maintenance Agreement. These services include:

- tending to the Trees according to the principles of good forestry, including such watering, pruning, fertilising and fumigating as the Responsible Entity deems appropriate to promote Tree growth and yields; and
- managing the Trees in accordance with the Planting Plan and the Maintenance Plan.

Maintenance Agreement

60. The Maintenance Agreement is between Primary Securities Ltd as the Responsible Entity and Land Company. This Agreement appoints Land Company to perform the maintenance obligations of the Responsible Entity under the Consolidated Project Operations Agreement.

Planting Agreement

61. Under the Consolidated Project Operations Agreement the Grower agrees to engage the Responsible Entity to select and purchase plant-stock to enable the cultivation of trees. These services are sub-contracted to the Planting Company under the Planting Agreement which during the first 12 months of the Project will plant sufficient Trees to an average of 142 trees per Woodlot. The Land Company will conduct a survival count within 13 months of planting the Trees and replant as necessary.

Processing and Marketing Agreement

62. The Grower has an interest in the Trees to be planted on the Woodlot and a right to the Timber from those Trees. Harvesting will take place as and when deemed appropriate by the Responsible Entity and the Timber Company in producing the best overall result for the Grower. The Responsible Entity expects to conduct non-commercial thinning of 50% of the Trees in year 6 and a harvest of 25% in year 11. The remaining Trees will be harvested in the final year of the Project.

63. The proceeds from the sale of the Grower's Timber will be paid directly to the Responsible Entity which must then be deposited into the Trust Account. Proceeds received by the Responsible Entity are to be distributed in the following order of priority:

- to pay the Adjusted Prescribed Proportion of the Timber Production Costs (unless the Grower has made an election to sell their Timber under the Consolidated Project Operations Agreement); and then
- to pay to the Responsible Entity any outstanding Management Fees or Project Fees owing by the Grower to the Responsible Entity under the Consolidated Constitution or any of the Project Documents; and then
- to distribute the Adjusted Prescribed Proportion of the balance to the Grower (unless the Grower has made an election to sell their Wood under the Consolidated Project Operations Agreement) unless the aggregate sum to be distributed to all of the Growers is less than \$1,000.

Fees

64. The fee payable under the Consolidated Project Operations Agreement per Woodlot, on allotment is the Application Fee of \$6,900.

65. Growers are also required to pay the following fees out of Net Proceeds of Sale on a per Woodlot basis:

- Licence Fee of 5% of Net Proceeds of Sale;
- Maintenance Fee of 5% of Net Proceeds of Sale; and
- Marketing Fee of 5% of Net Proceeds of Sale.

66. A Last Resort Management Fee may be imposed. If a Last Resort Management Fee has been imposed, the amount of that fee that has been paid will be deducted from the cumulative total of the Licence Fee, Maintenance Fee, Marketing Fee and Incentive Fee in calculating the Responsible Entity's entitlement to those fees.

67. The Grower is also required to pay an Incentive Fee of 25% to the Responsible Entity if the Net Harvest Return per Woodlot exceeds \$45,000.

Finance

68. Growers, to whom this Ruling applies, can fund their participation in this Project through finance arrangements with preferred lenders Momentum Investment Finance Pty Limited or United Pacific Finance Pty Limited.

69. Growers can apply to borrow the Application Fee of \$6,900 per Woodlot from Momentum Investment Finance Pty Limited or United Pacific Finance Pty Limited, by completing the relevant Finance Application Form. A loan application fee of \$250 plus 0.5% of the amount of the loan is payable on application. This fee may be added to the loan.

70. Momentum Investment Finance Pty Limited will lend on a full-recourse commercial basis under the following arrangements:

- Facility 1 – monthly payments of interest only for 2 years plus monthly instalments of principal and interest over 3 years;
- Facility 2 – monthly instalments of principal and interest over 5 years;
- Facility 3 – monthly payments of interest only for 2 years plus monthly instalments of principal and interest over 5 years; and
- Facility 4 – monthly payments of interest only for 3 years plus monthly instalments of principal and interest over 7 years.

71. Payments/instalments commence on the first business day of the month following the loan drawdown date.

72. Interest will accrue on the unpaid balance of the loan and is charged monthly in arrears.

73. United Pacific Finance Pty Limited will lend on a full-recourse commercial basis under the following arrangements:

- Facility 1 – monthly instalments of principal and interest over 5 years;
- Facility 2 – monthly payments of interest only for 1 year plus monthly instalments of principal and interest over 4 years;
- Facility 3 – monthly payments of interest only for 2 years plus monthly instalments of principal and interest over 5 years; and

- Facility 4 – monthly payments of interest only for 3 years plus monthly instalments of principal and interest over 7 years.

74. Payments/instalments commence one month after loan drawdown date. Interest will accrue on the unpaid balance of the loan and is charged monthly in arrears.

75. The above loans are secured by the Grower charging in favour of the Lender all the Grower's right, title and interest in the Project. Normal debt recovery procedures, including legal action, will be taken in the case of defaulting borrowers.

76. This Ruling will not apply to Growers who enter into finance arrangements with Momentum Investment Finance Pty Limited or United Pacific Finance Pty Limited, with terms and conditions that differ in any way from those set out in paragraphs 68 to 75 of this Ruling.

77. This Ruling also does not apply if a Grower enters into an agreement that includes or has any of the following features:

- there are split loan features of a type referred to in Taxation Ruling TR 98/22;
- there are indemnity arrangements or other collateral agreements in relation to the loan designed to limit the borrower's risk;
- 'additional benefits' will be granted to the borrowers for the purpose of section 82KL of the ITAA 1936, or the funding arrangements transform the Project into a 'scheme' to which Part IVA of the ITAA 1936 may apply;
- the loan terms are of a non-arm's length nature;
- repayments of the principal and interest are linked to the derivation of income from the Project;
- the funds borrowed, or any part of them, will not be available for the conduct of the Project but will be transferred (by any mechanism) back to the lender or any associate;
- lenders do not have the capacity under the loan agreement, or a genuine intention, to take legal action against defaulting borrowers; or
- entities associated with the Project other than the Momentum Investment Finance Pty Limited or United Pacific Finance Pty Limited are involved or become involved, in the provision of finance to Growers for the Project.

78. A Grower who does not pay the Application Fee in full on Application can enter into a Terms Agreement with the Responsible Entity.

Terms Agreement

79. All Growers to whom this Ruling applies can enter into a Terms Agreement with the Responsible Entity. All Terms Growers will be bound by the Terms Agreement. The conditions of the Terms Agreement are contained in the 'Terms Agreement NTT Mahogany Project 2006-2008', to which each Terms Grower is a party.

80. Primary Securities will be bound by the Terms Agreement including the variations in paragraphs 83 and 84 of this Ruling.

81. Under the Terms Agreement a Grower will pay the Application Fee in 12 monthly instalments of \$575. The first Monthly instalment is due on the last Business Day of July 2008.

82. As security for payment of the amounts due under the Terms Agreement, the Terms Grower charges in favour of the Responsible Entity all the Terms Grower's right, title and interest in the Project.

83. The power of attorney in clause 6(kk) of the Consolidated Constitution will not be exercised in any way which results in an extension of the terms payment or otherwise adjusts the terms of payment in any manner. The term 'varying' in clause 6(kk) of the Consolidated Constitution will be interpreted so that it does not effect any deferral, extension or write off of any payments. If the Terms Agreement is replaced as provided in clause 6(kk) for whatever reason, the replacement agreement will not effect any deferral, extension or write off of any payments.

84. In exercising its right under clause 9.2 of the Terms Agreement to terminate the Terms Agreement, Primary Securities Ltd will observe ASIC's Debt Collection Guidelines, and subject to the Debt Collection Guidelines, will terminate a Terms Agreement if the Grower is in default for more than 60 days.

Commissioner of Taxation

5 September 2007

Appendix 1 – Explanation

❶ *This Appendix is provided as information to help you understand how the Commissioner's view has been reached. It does not form part of the binding public ruling.*

Is the Grower carrying on a business?

85. For the amounts set out in the Table at paragraphs 23 and 27 of this Ruling to constitute allowable deductions, the Grower's activities as a participant in the NTT Mahogany Project 2006 – 2008 must amount to the carrying on of a business of primary production.

86. Two Taxation Rulings are relevant in determining whether a Grower will be carrying on a business of primary production.

87. The general indicators used by the Courts are set out in Taxation Ruling TR 97/11 Income tax: am I carrying on a business of primary production?

88. Taxation Ruling TR 2000/8 Income tax: investment schemes, particularly paragraph 89, is more specific to arrangements such as the NTT Mahogany Project 2006 - 2008. As Taxation Ruling TR 2000/8 sets out, the relevant principles have been established in court decisions such as *Commissioner of Taxation v. Lau* (1984) 6 FCR 202; 84 ATC 4929; (1984) 16 ATR 55.

89. Having applied these principles to the arrangement set out above, a Grower in the NTT Mahogany Project 2006 – 2008 is accepted to be carrying on a business of growing and harvesting Mahogany for sale.

Deductibility of the Initial Management Fee, loan interest, Application Fee, Interest and Borrowing Expenses

Section 8-1

90. The Initial Application Fee is deductible under section 8-1 (see paragraphs 43 and 44 of TR 2000/8). A 'non-income producing' purpose (see paragraphs 47 and 48 of TR 2000/8) is not identifiable in the arrangement and there is no capital component evident in the Application fee. (see paragraphs 49 to 51 of TR 2000/8).

91. The tests of deductibility under the first limb of section 8-1 are met. The exclusions do not apply. Subject to the prepayment provisions (see paragraphs 94 to 104 of this Ruling) a deduction for these amounts can be claimed in the year in which they are incurred. (Note: the meaning of incurred is explained in Taxation Ruling TR 97/7.)

92. Some Growers may finance their participation in the Project through a Loan Agreement with Momentum Investment Pty Limited or United Pacific Finance Pty Limited. Applying the same principles as that used for the Application Fee, interest incurred under such a loan has sufficient connection with the gaining of assessable income to be deductible under section 8-1.

93. Other than where the prepayment provisions apply (see paragraphs 94 to 98 of this Ruling), a Grower can claim a deduction for such interest in the year in which it is incurred.

Prepayment provisions

Sections 82KZL to 82KZMG

94. The prepayment provisions contained in Subdivision H of Division 3 of Part III of the ITAA 1936 affect the timing of deductions for certain prepaid expenditure. These provisions apply to certain expenditure incurred under an agreement in return for the doing of a thing under the agreement (for example, the performance of management services or the leasing of land) that will not be wholly done within the same year of income as the year in which the expenditure is incurred. If expenditure is incurred to cover the provision of services to be provided within the same income year, then it is not expenditure to which the prepayment rules apply.

95. For this Project, the only prepayment provisions that are relevant are section 82KZL of the ITAA 1936 (an interpretive provision) and section 82KZMG of the ITAA 1936 (an operative provision). References to sections 82KZME and 82KZMF of the ITAA 1936 are made only in respect of their interaction with sections 82KZMG of the ITAA 1936 and to confirm that these provisions have no application to expenditure incurred by Growers who participate in the scheme set out in this the Ruling.

Application of the prepayment provisions to this Project

Sections 82KZME and 82KZMF

96. Other than the Initial Application Fee (see below), the fees payable under the scheme to which this Product Ruling applies are payable only out of harvest proceeds and the interest payable to Momentum Investment Pty Limited or United Pacific Finance Pty Limited is incurred monthly in arrears. Accordingly, the prepayment provisions in sections 82KZME and 82KZMF of the ITAA 1936 have no application.

97. However, sections 82KZME and 82KZMF of the ITAA 1936 may have relevance if a Grower in this Project chooses or is required to prepay interest under a loan agreement (including loan agreements with lenders other than Momentum Investment Pty Limited or United Pacific Finance Pty Limited).

98. As stated in Note (iii) of paragraph 27 of this Ruling, prepayments of interest are not covered by this Product Ruling and Growers who make such prepayments may instead request a private ruling on the tax consequences of the prepaid interest.

Section 82KZMG

99. Expenditure that meets the requirements of section 82KZMG of the ITAA 1936 is excluded from the application of the prepayment rules in sections 82KZME and 82KZMF of the ITAA 1936 that would otherwise apply.

100. Section 82KZMG provides a '12 month rule' that, in effect, facilitates an immediate deduction for certain prepaid expenditure⁵ incurred under an 'agreement for planting and tending trees for felling' (subsection 82KZMG(3) of the ITAA 1936).

101. The 12 month rule applies to expenditure for 'seasonally dependent agronomic activities' that will be carried out during the establishment period of a particular planting of trees (subsection 82KZMG(4) of the ITAA 1936). Seasonally dependent agronomic activities are explained in Taxation Determination TD 2003/12.

102. Whilst the establishment period itself may exceed 12 months, each seasonally dependent agronomic activity must be completed within 12 months of commencement of its eligible service period (as defined in subsection 82KZL(1) of the ITAA 1936), and by the end of the income year following the 'expenditure year' (see subsections 82KZMG(1) and (2) of the ITAA 1936).

103. Under the Consolidated Project Operations Agreement each Grower incurs an Initial Application fee of \$6,900 per Woodlot in the income year ended 30 June 2008 for 'seasonally dependent agronomic activities' that will be carried out during the 'establishment period' of the Mahogany Trees.

104. The expenditure for 'seasonally dependent agronomic activities' meets all other requirements of section 82KZMG of the ITAA 1936 and, therefore, other than where section 82KZMGA applies (see paragraphs 105 to 107 of this Ruling), a deduction is allowable in the income year ended 30 June 2008 for the full amount of expenditure incurred by the Grower for the Initial Application Fee.

⁵ The expenditure must be incurred on or before 30 June 2008 (subsection 82KZMG(2)).

'CGT event' within 4 years for Growers who are initial participants**Section 82KZMGA**

105. A Grower who is an initial participant in the Project cannot deduct an amount that meets the requirements of section 82KZMG of the ITAA 1936 if a 'CGT event' happens in relation to the Grower's interest within 4 years of 30 June 2008 (subsection 82KZMGA(1) of the ITAA 1936). In this Project, only the Initial Application Fee meets the requirements of section 82KZMG of the ITAA 1936. Accordingly, the deduction of \$6,900 per 'interest' for the Initial Application Fee will not be allowable if a 'CGT event' happens to the Grower's interest within the 4 year period.

106. Where subsection 82KZMGA(1) of the ITAA 1936 applies, the Commissioner may amend any affected Grower's assessment within 2 years after the end of the income year in which the 'CGT event' happens. The Commissioner's power to amend in these circumstances applies despite section 170 of the ITAA 1936 (subsection 82KZMGA(2) of the ITAA 1936)

107. A Grower whose deduction for the Initial Application Fee is disallowed because of section 82KZMGA is still required to include in their assessable income the market value of the interest at the time of the 'CGT event' or the decrease in the market value of the interest as a result of the 'CGT event' (section 82KZMGB of the ITAA 1936).

Assessable income from 'CGT events' for Growers who are initial participants***Sections 6-10, 10-5 and 118-20 of the ITAA 1997 and section 82KZMGB of the ITAA 1936***

108. Section 6-10 of ITAA 1997 includes in assessable income amounts that do not constitute ordinary income. These amounts, called statutory income, are listed in the table in section 10-5 and include amounts that are included in the assessable income of a Grower by section 82KZMGB of the ITAA 1936.

Section 82KZMGB

109. Where a 'CGT event' (other than for a 'CGT event' in respect of a thinning)⁶ happens to an interest held by a Grower who is an initial participant in this Project, section 82KZMGB includes an amount in the assessable income of the Grower if:

- the Grower can deduct or has deducted Initial Application Fee (shown in paragraph 23 of this Ruling); and

⁶ A thinning under this scheme is not a 'CGT event'.

- subsection 82KZMG(1) applies to the timing of the deduction of Initial Application Fee (or would apply if section 82KZMGA were disregarded – see above).

Market value rule applies to ‘CGT events’

110. If, as a result of the ‘CGT event’ the Grower either:

- no longer holds the interest; or
- otherwise – where the Grower continues to hold the ‘forestry interest’ but there is a decrease in the market value of the interest,

then the market value of the interest at the time of the event, or the decrease in market value of the interest as a result of the event, is included in the assessable income of the Grower (subsection 82KZMGB(2) of the ITAA 1936). A market value rule applies rather than the amount of money actually received from the CGT event (subsection 82KZMGB(3) of the ITAA 1936). However, the market value and the actual amount of money received may be the same.

111. The market value amount included in the assessable income of a Grower is the value of the interest just before the ‘CGT event’, or where the Grower continues to hold their interest after the ‘CGT event’, the amount by which the market value of the interest is reduced by the ‘CGT event’ (subsection 82KZMGB(2)).

112. This provision will apply where the interest is sold, is extinguished, or ceases, and will include ‘CGT events’ such as a full or partial sale of the interest or from a full or partial clear-fell harvest of the trees grown under the Project.

Anti-overlap provisions

Section 118-20

113. Generally, where as a result of a ‘CGT event’ a capital gain would otherwise be included in a taxpayer’s assessable income. Section 118-20 will apply to reduce the capital gain if, because of the event, a provision of the ITAA other than the CGT provisions includes an amount in the taxpayer’s assessable income.

114. In the case of interests held by Growers who are initial participants in this Project the market value, or the reduction in the market value of the interest from a CGT event is included in assessable income by section 6-10 of the ITAA 1997 and section 82KZMGB of the ITAA 1936. Therefore, section 118-20 of the ITAA 1997 will operate to reduce to nil any capital gain that would otherwise be assessable under the CGT provisions in Part 3-1 of the ITAA 1997.

Amounts received by initial participants where the Project trees are thinned

Section 6-5

115. Section 82KZMGB of the ITAA 1936 specifically excludes from its operation a 'CGT event' that happens in respect of a thinning (see paragraph 82KZMGB(1)(d) of the ITAA 1936).

116. Thinning amounts received by a Grower who is an initial participant in this Project do not arise as a result of a 'CGT event' and are not otherwise assessable under section 82KZMGB. The receipt of an amount arising from a thinning of the Project trees is a distribution that arises as an incident of the Grower holding an interest in the Project. It is an item of ordinary income and is assessable under section 6-5 in the year in which it is derived.

Borrowing costs

Section 25-25

117. A deduction is allowable for expenditure incurred by a Grower in borrowing money to the extent that the borrowed money is used for the purpose of producing assessable income (subsection 25-25(1)).

118. In this Project the Loan Establishment Fee payable to either Momentum Investment Pty Limited or United Pacific Finance Pty Limited is incurred to borrow money that is used or is to be used solely for income producing purposes during each income year over the term of the loan.

119. The deduction for the borrowing expense is spread over the period of the loan or 5 years, whichever is the shorter (subsection 25-25(4)).

Sections 35-10 and 35-55 – deferral of losses from non-commercial business activities and the Commissioner's discretion

120. In deciding to exercise the discretion in paragraph 35-55(1)(b) on a conditional basis for **30 June 2008 up to and including 30 June 2024**, the Commissioner has applied the principles set out in Taxation Ruling TR 2007/6 Income tax: non-commercial business losses: Commissioner's discretion. Based on the evidence supplied, the Commissioner has determined that for those income years:

- it is because of its nature the business activity of a Grower will not satisfy one of the four tests in Division 35; and
- there is an objective expectation that within a period that is commercially viable for the afforestation industry, a Grower's business activity will satisfy one of the four tests set out in Division 35 or produce a taxation profit.

121. A Grower who would otherwise be required to defer a loss arising from their participation in the Project under subsection 35-10(2) until a later income year is able to offset that loss against their other assessable income.

122. The exercise of the Commissioner's discretion under paragraph 35-55(1)(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.

Section 82KL – recouped expenditure

123. The operation of section 82KL of the ITAA 1936 depends, among other things, on the identification of a certain quantum of 'additional benefits(s)'. Insufficient 'additional benefits' will be provided to trigger the application of section 82KL of the ITAA 1936. It will not apply to deny the deduction otherwise allowable under section 8-1 of the ITAA 1997.

Part IVA – general tax avoidance provisions

124. For Part IVA of the ITAA 1936 to apply there must be a 'scheme' (section 177A), a 'tax benefit' (section 177C) and a dominant purpose of entering into the scheme to obtain a tax benefit (section 177D).

125. The NTT Mahogany Project 2006 – 2008 will be a 'scheme'. A Grower will obtain a 'tax benefit' from entering into the scheme, in the form of tax deductions for the amounts detailed at paragraphs 23 and 27 of this Ruling that would not have been obtained but for the scheme. However, it is not possible to conclude the scheme will be entered into or carried out with the dominant purpose of obtaining this tax benefit.

126. Growers to whom this Ruling applies intend to stay in the scheme for its full term and derive assessable income from the harvesting and sale of the Mahogany Timber. There are no facts that would suggest that Growers have the opportunity of obtaining a tax advantage other than the tax advantages identified in this Ruling. There is no non-recourse financing or round robin characteristics, and no indication that the parties are not dealing at arm's length or, if any parties are not dealing at arm's length, that any adverse tax consequences result. Further, having regard to the factors to be considered under paragraph 177D(b) of the ITAA 1936 it cannot be concluded, on the information available, that participants will enter into the scheme for the dominant purpose of obtaining a tax benefit.

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References

Previous draft:

Not previously issued as a draft

Related Rulings/Determinations:

TD 2003/12; TR 97/7; TR 97/11;
TR 98/22; TR 2000/8;
TR 2007/6; PR 2006/34;
PR 2006/35; PR 2006/100;
PR 2006/101; PR 2006/101A;
PR 2007/43

Subject references:

- carrying on a business
- commencement of business
- management fee expenses
- non-commercial losses
- primary production
- primary production expenses
- producing assessable income
- product rulings
- public rulings
- schemes and shams
- tax avoidance
- tax benefits under tax avoidance schemes
- tax shelters taxation administration

Legislative references:

- ITAA 1936 82KL
- ITAA 1936 Pt III Div 3 Subdiv H
- ITAA 1936 82KZL
- ITAA 1936 82KZL(1)
- ITAA 1936 82KZM
- ITAA 1936 82KZMA
- ITAA 1936 82KZMB
- ITAA 1936 82KZMC
- ITAA 1936 82KZMD
- ITAA 1936 82KZME
- ITAA 1936 82KZMF
- ITAA 1936 82KZMG
- ITAA 1936 82KZMG(1)
- ITAA 1936 82KZMG(2)

- ITAA 1936 82KZMG(3)
- ITAA 1936 82KZMG(4)
- ITAA 1936 82KZMGA
- ITAA 1936 82KZMGA(1)
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- ITAA 1936 82KZMGB
- ITAA 1936 82KZMGB(1)(d)
- ITAA 1936 82KZMGB(2)
- ITAA 1936 82KZMGB(3)
- ITAA 1936 170
- ITAA 1936 Pt IVA
- ITAA 1936 177A
- ITAA 1936 177C
- ITAA 1936 177D
- ITAA 1936 177D(b)
- ITAA 1997 6-5
- ITAA 1997 6-10
- ITAA 1997 8-1
- ITAA 1997 10-5
- ITAA 1997 17-5
- ITAA 1997 25-25
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- SISA 1993
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Case references:

- Commissioner of Taxation v. Lau (1984) 6 FCR 202; 84 ATC 4929; (1984) 16 ATR 55

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