



TD 2003/29 - Income tax: Simplified Tax System: can an entity that has notified the Commissioner of its choice to stop being an STS taxpayer for an income year, later cancel that choice for that year?

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 This document has changed over time. This is a consolidated version of the ruling which was published on 3 December 2003

Taxation Determination

Income tax: Simplified Tax System: can an entity that has notified the Commissioner of its choice to stop being an STS taxpayer for an income year, later cancel that choice for that year?

Preamble

*The number, subject heading, date of effect and paragraph 1 of this Taxation Determination are a 'public ruling' for the purposes of Part IVAAA of the **Taxation Administration Act 1953** and are legally binding on the Commissioner. The remainder of the Determination is administratively binding on the Commissioner. Taxation Rulings TR 92/1 and TR 97/16 together explain how a Determination is legally or administratively binding.*

1. No. An entity that has notified the Commissioner of its choice to stop being a STS taxpayer¹ under paragraph 328-440(1)(a) of the *Income Tax Assessment Act 1997* (ITAA 1997), for an income year, cannot later cancel that choice for that year.
2. Having made the choice to stop being an STS taxpayer, the entity can only again become an STS taxpayer if it satisfies subsection 328-440(3) of the ITAA 1997. This subsection provides that an entity that chooses to stop being an STS taxpayer cannot again become an STS taxpayer until at least five years after the income year in which it leaves the STS.

Date of Effect

3. This Determination applies to assessments for income years starting on or after 1 July 2001, to which Division 328 applies. However, the Determination will not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Commissioner of Taxation
3 December 2003

¹ The term STS taxpayer is defined in section 328-435 of the *Income Tax Assessment Act 1997*.

TD 2003/29

Previous draft:

Previously released in draft form as TD 2003/D18

Related Rulings/Determinations:

TR 92/1; TR 92/20; TR 97/16

Subject references:

- leaving the STS
- simplified tax system
- STS taxpayers

Legislative references:

- ITAA 1997 Div 328
- ITAA 1997 Div 328-435
- ITAA 1997 328-440(1)(a)
- ITAA 1997 328-440(3)
- TAA 1953 Part IVAAA

ATO references

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