TD 2009/17 - Income tax: is interest on a loan fully deductible under section 8-1 of the Income Tax Assessment Act 1997 when the borrowed moneys are settled by the borrower on trust to benefit the borrower and others?

This cover sheet is provided for information only. It does not form part of *TD 2009/17 - Income tax: is interest on a loan fully deductible under section 8-1 of the Income Tax Assessment Act 1997 when the borrowed moneys are settled by the borrower on trust to benefit the borrower and others?*

There is a Compendium for this document: **TD 2009/17EC** .

Taxation Determination

Income tax: is interest on a loan fully deductible under section 8-1 of the *Income Tax Assessment Act 1997* when the borrowed moneys are settled by the borrower on trust to benefit the borrower and others?

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, the Commissioner must apply the law to you in the way set out in the ruling (unless the Commissioner is satisfied that the ruling is incorrect and disadvantages you, in which case the law may be applied to you in a way that is more favourable for you – provided the Commissioner is 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.

Ruling

1. No. Interest on a loan used to settle moneys on trust to benefit the borrower and others cannot be deducted in full under section 8-1 of the *Income Tax Assessment Act 1997* (ITAA 1997).

2. The taxpayer's interest expense can only be deducted to the extent to which the taxpayer has used the borrowed moneys to gain or produce assessable income *of the taxpayer*. The interest will not be deductible to the extent that the taxpayer has used the borrowed moneys for the purpose of benefiting persons other than the taxpayer.

3. The conclusion that the taxpayer has used the borrowed moneys to benefit others will usually follow objectively from the terms of the trust. This will be the case, whether the moneys are settled on the trust upon its creation or at a later time.

4. Likewise, the terms of the trust will usually provide an objective basis for characterising whether the taxpayer has used the borrowed moneys for the purpose of gaining or producing their assessable income.

5. Where the terms of the trust indicate that the borrowed moneys have been used to benefit both the taxpayer and others, an apportionment calculation will be required to determine the taxpayer's interest deduction.

6. The interest expense is not deductible at all where the terms of the trust are such that no connection is perceived between the interest outgoing and the taxpayer's assessable income, or where section 51AAA of the *Income Tax Assessment Act 1936* (ITAA 1936) applies.

Date of effect

7. This Determination applies to years of income commencing both before and after its date of issue. However, this Determination will not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of this Determination (see paragraphs 75 and 76 of Taxation Ruling TR 2006/10).

Example 1

8. *Paul arranges for his accountant to set up a trust for himself and his family. Paul and his wife control the corporate trustee.*

9. *Paul borrows $1 million from a bank, in his own name, and settles it on the trust. The trustee issues 500,000 units to Paul and 500,000 units to Paul's wife. The trustee uses the $1 million to purchase a rental property.*

10. *The trust deed provides that unit holders are entitled to a proportionate share of the income of the trust based on their unit holdings.*

11. *The units Paul and his wife acquire are redeemable at the trustee's discretion. The units are redeemable for an amount equal to each unit holder's proportionate share of the trust fund, calculated by reference to the net asset value of the fund as at the date of redemption.*

12. *Only 50% of Paul's interest expense is deductible (see paragraph 44 of this Determination). The terms of the trust indicate that Paul has used the borrowed money, in part, to benefit his wife and, in part, to acquire an interest in the trust which is likely to be productive of assessable income.*

Example 2

13. *Paul arranges for his accountant to set up a trust for himself and his family. Paul and his wife control the corporate trustee.*

14. *Paul borrows $1 million from a bank, in his own name, and settles it on the trust. The trustee issues 1 million units to Paul. Paul's wife and children are also beneficiaries of the trust. The trustee uses the $1 million to purchase a rental property.*

15. *The trust deed provides that where there is income of the trust available for distribution at the end of an accounting period, the trustee is to hold an amount of income for the benefit of unit holders, in proportion to their unit holding, equal to the lesser of:*

(a) the total income of the trust that is available for distribution (the (a) amount); and

(b) the unit holder's interest expense plus a nominal amount (the (b) amount).

16. *Any excess of the (b) amount over the (a) amount is carried forward for the purposes of determining the unit holder's income entitlement in the following accounting period. The unit holder's entitlement to an amount of income equal to the (b) amount is therefore cumulative.*

17. *Any excess of the (a) amount over the (b) amount is distributable amongst the trust's other beneficiaries at the trustee's discretion.*

18. *The units Paul acquires are redeemable at the trustee's discretion. The units are redeemable for an amount equal to the sum Paul settled on the trust. Any remaining trust capital is held for the benefit of the other beneficiaries.*

19. *Paul's interest expense is not deductible in full. The terms of the trust indicate that Paul has used the borrowed money, in part, to create a fund for the benefit of his family. Accordingly, some of Paul's interest expense will not be incurred in gaining or producing his assessable income. It does not matter that Paul's income entitlement is calculated in a way which may lead to his total income from the units exceeding his total interest cost.*

20. *Because Paul has also used the borrowed money to acquire income producing units for himself, part of the interest expense will be deductible. An apportionment calculation is therefore required (see paragraph 45 of this Determination).*

Example 3

21. *Paul arranges for his accountant to set up a trust for himself and his family. Paul and his wife control the corporate trustee.*

22. *Paul borrows $1 million from a bank, in his own name, and settles it on the trust. The trustee issues 1 million units to Paul. Paul's wife and children are also beneficiaries of the trust. The trustee uses the $1 million to purchase a rental property.*

23. *The trust deed provides that the trustee holds the income of the trust for the benefit of the unit holders at the end of the accounting period. The deed also provides the trustee with a discretion to appoint realised capital gains amongst Paul, his wife and his children.*

24. *The units Paul acquires are redeemable at the trustee's discretion. The units are redeemable for an amount equal to the sum Paul settled on the trust. Any remaining trust capital is held for the benefit of the other beneficiaries.*

25. *Paul's interest expense is not deductible in full. The terms of the trust indicate that Paul has used the borrowed money, in part, to create a fund for the benefit of his family. Accordingly, some of Paul's interest expense will not be incurred in gaining or producing his assessable income.*

26. *Because Paul has also used the borrowed money to acquire income producing units for himself, part of the interest expense will be deductible. An apportionment calculation is therefore required (see paragraph 45 of this Determination).*

Example 4

27. *Paul arranges for his accountant to set up a trust for himself and his family. Paul and his wife control the corporate trustee.*

28. *Paul borrows $1 million from a bank, in his own name, and settles it on the trust. The trustee issues 1 million units to Paul. Paul's wife and children are also beneficiaries of the trust. The trustee uses the $1 million to purchase a rental property.*

29. *The trust deed provides the trustee with a discretion to appoint the income of the trust to Paul, his wife, or his children. Absent such an appointment, no beneficiary is presently entitled to income. Unit holders are, however, entitled to share in amounts which are attributable to realised capital gains of the trust, in proportion to their unit holdings.*

30. *The units Paul acquires are redeemable at the trustee's discretion. The units are redeemable for an amount equal to the sum Paul settled on the trust. Any remaining trust capital is held for the benefit of the other beneficiaries.*

31. *Paul's interest expense is not deductible at all. The terms of the trust indicate that Paul has used the borrowed money in part to create a fund for the benefit of his family. The interest will not be deductible to that extent. Nor can a connection be perceived between the incurring of the interest and the production of Paul's assessable income (other than net capital gains: see section 51AAA of the ITAA 1936). Such a connection cannot be found merely because it is possible that the trustee might make a gift of income to Paul in a future income year (see paragraph 46 of this Determination).*

Commissioner of Taxation
15 July 2009

Appendix 1 – Explanation

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.

Arrangements with which this Determination is concerned

32. This Determination concerns the deductibility of interest expense on borrowed moneys which are settled on trust to benefit the borrower and others. The arrangements addressed by this Determination include the uncommercial trust arrangements described in Taxpayer Alert TA 2008/3. Arrangements of that kind typically display some or all of the following features:

(a) The taxpayer arranges for the establishment of a trust. The trustee of the trust is either the taxpayer, or is controlled by the taxpayer and/or associates of the taxpayer.

(b) The beneficiaries of the trust are the taxpayer and his or her associates (the other beneficiaries). The other beneficiaries are members of the taxpayer's family, and/or entities which the taxpayer and/or the taxpayer's associates control; they do not usually contribute any capital to the trust, nor do they provide money or property to the taxpayer.

(c) The taxpayer borrows money at interest and settles it on the trust. The trustee issues units to the taxpayer. The units provide the taxpayer with particular rights to trust income and/or capital.

(d) The trustee uses the money in subparagraph 32(c) of this Determination to purchase one or more income-producing assets. Typically, the assets comprise real estate or shares.

(e) The trust deed, and/or the trustee acting under authority of the trust deed, determines how much of the income of the trust is available for distribution to beneficiaries.

(f) The taxpayer's units do not give the taxpayer an entitlement to all of the benefits which may reasonably be expected to be produced by the asset(s) in subparagraph 32(d) of this Determination. Alternatively, an objective implication to be drawn from the trust deed is that the taxpayer cannot reasonably expect to receive all such benefits.

(g) For example, the taxpayer's units:

  (i) may carry no entitlement to share in realised capital gains of the trust;

  (ii) may carry no entitlement to share in anything other than realised capital gains of the trust;

  (iii) may carry an entitlement to share in only part of the income of the trust; or

  (iv) may be redeemable, at the trustee's discretion, for an amount which fails to reflect the taxpayer's contribution to the trust (for example the cost of the units or their market value, where such value reflects the limited nature of the rights which the units carry).

(h) For a number of income years, the amounts included in the taxpayer's assessable income because of his or her unit holding are significantly less than the interest expense on the borrowing. The taxpayer claims that the interest expense is deductible in full under section 8-1 of the ITAA 1997.

General characterisation principles

33. Section 8-1 of the ITAA 1997 provides a taxpayer with a deduction for a loss or outgoing to the extent to which it is incurred in gaining or producing the taxpayer's assessable income. A loss or outgoing is not deductible to the extent that it is of a private or domestic nature.[1]

34. A loss or outgoing is not deductible where it is incurred to gain or produce benefits for other persons. This proposition was illustrated in *Federal Commissioner of Taxation v. Munro* (1926) 38 CLR 153; [1926] HCA 58; (1926) 32 ALR 339 (*Munro's Case*), where a taxpayer subscribed borrowed funds for shares in a company, 90% of which were issued to his sons. The borrowed funds were clearly spent to benefit other people, and the taxpayer's mortgage interest was not deductible.[2]

35. For the purposes of section 8-1, the essential character[3] of interest expense is derived from the purpose of the borrowing and the application or the use of the borrowed funds.[4] The laying out of the borrowed money for the purpose of gaining assessable income 'furnishes the required connection between the interest paid upon it by the taxpayer and the income derived by him from its use'.[5] Accordingly, interest expense is not deductible to the extent that the borrowed money has been used to benefit others.

---

[1] Paragraph 8-1(2)(b) of the ITAA 1997.

[2] *Munro's Case* was decided on the basis of the *Income Tax Assessment Act 1922* (ITAA 1922). The ITAA 1922 provided for the deduction of 'interest actually incurred in gaining or producing the assessable income' (paragraph 23(1)(a) of the ITAA 1922). It also contained an express prohibition against any deduction in respect of 'money not wholly and exclusively laid out or expended for the production of assessable income' (paragraph 25(e) of the ITAA 1922). In contrast, section 8-1 of the ITAA 1997 calls for apportionment.

[3] Refer *Lunney v. Federal Commissioner of Taxation*; *Hayley v. Federal Commissioner of Taxation* (1958) 100 CLR 478; [1958] HCA 5; *Charles Moore & Co (WA) Pty Ltd v. Federal Commissioner of Taxation* (1956) 95 CLR 344; [1956] HCA 77.

[4] *Federal Commissioner of Taxation v. Roberts & Smith* (1992) 37 FCR 246; 92 ATC 4380 at 4388; (1992) 23 ATR 494 at 504; *Kidston Goldmines Ltd v. Federal Commissioner of Taxation* (1991) 30 FCR 77; 91 ATC 4538 at 4546; (1991) 22 ATR 168 at 177; *Hayden v. Federal Commissioner of Taxation* (1996) 68 FCR 19; 96 ATC 4797 at 4801; (1996) 33 ATR 352 at 356.

[5] *Ure v. Federal Commissioner of Taxation* (1981) 50 FLR 219; 81 ATC 4100 at 4104; (1981) 11 ATR 484 at 488.

Use of borrowed money to provide benefits to others

36. In arrangements of the kind discussed in this Determination, the objective facts indicate that borrowed money has been used for the purpose of benefiting both the taxpayer and other persons. To the extent that it is used to benefit others, it has the characteristics of a gift. A transfer of property may bear 'all the marks of a family settlement' even though it is done under an arrangement which may produce assessable income for the taxpayer.[6] As such, a portion of the interest payable on the borrowed money is not incurred in gaining or producing the taxpayer's assessable income[7] or has a private or domestic nature.[8] That portion of the interest is not deductible.

37. The conclusion that borrowed money is being used to benefit entities other than the taxpayer follows logically from the connection between the money spent and the rights the taxpayer and the others obtain. The terms of trust indicate that the taxpayer will not enjoy, or cannot reasonably expect to enjoy, all of the benefits flowing from the trust capital which he or she has funded with the borrowed money. A consequence of this is that the borrowed moneys the taxpayer settles on the trust are disproportionate[9] to the benefits which might reasonably be expected to pass to the taxpayer under the trust deed. To that extent, the expenditure lacks an obvious commercial explanation[10] but has an obvious private or domestic explanation.

Dual character despite profit expectation

38. The use of borrowed money to benefit others affects the characterisation of the taxpayer's interest expense, notwithstanding it may be applied in the expectation that it might produce an amount of assessable income for the taxpayer which will exceed the interest expense.

39. The position of the taxpayer in these circumstances is similar to the position of the taxpayer in Munro's Case; refer to paragraph 34 of this Determination. A father who uses borrowed money to purchase shares for himself and his sons cannot obtain a full deduction for his interest expense on the basis that he expects to recoup that expense from dividends payable on the shares that he holds. The clear relationship between the use of the borrowed funds to establish (or contribute to) a fund for the taxpayers own benefit and the benefit of other persons indicates that the interest outlaid is, in a real sense, a cost of providing the benefits to the other persons, just as it is a cost of obtaining benefits for the taxpayer. In these cases the interest expense will be apportionable.[11]

---

[6] *Egerton-Warburton v. Deputy Federal Commissioner of Taxation* [1934] HCA 40; (1934) 51 CLR 568 at 574.
[7] Paragraph 8-1(1)(a) of the ITAA 1997. *Federal Commissioner of Taxation v. Isherwood & Dreyfus Pty Ltd* (1979) 46 FLR 1; 79 ATC 4031 at 4032; (1979) 9 ATR 473 at 474.
[8] Paragraph 8-1(2)(b) of the ITAA 1997.
[9] *Robert G Nall Ltd v. Federal Commissioner of Taxation* (1936) 57 CLR 695 at 706; (1936) 4 ATD 335 at 338, 340 and 342-343; *WD & HO Wills (Australia) Pty Ltd v. Federal Commissioner of Taxation* (1996) 65 FCR 298; 96 ATC 4223 at 4248; (1996) 32 ATR 168 at 193.
[10] *Ure v. Federal Commissioner of Taxation* (1981) 50 FLR 219; 81 ATC 4100; (1981) 11 ATR 484; Taxation Ruling IT 2684, paragraph 9.
[11] See for example, *Kidston Goldmines Ltd v. FC of T* 91 ATC 4538 at 4546; (1991) 22 ATR 168 at 177. Refer also to *Munro's Case* decided on the basis of the ITAA 1922. The ITAA 1922 provided for the deduction of 'interest actually incurred in gaining or producing the assessable income' (paragraph 23(1)(a) of the ITAA 1922). It also contained an express prohibition against any deduction in respect of 'money not wholly and exclusively laid out or expended for the production of assessable income' (paragraph 25(e) of the ITAA 1922). In contrast, section 8-1 of the ITAA 1997 calls for apportionment.

Purpose to benefit others not merely incidental

40. In arrangements of the kind discussed in this Determination, the use of borrowed money to benefit persons other than the taxpayer is not relevant to the production of the taxpayer's assessable income, nor is it merely incidental to the production of such income.

41. The non-incidental nature of the taxpayer's purpose of benefiting others is highlighted by the trust deed, which establishes a mechanism for sharing benefits from the trust property with persons other than the taxpayer. In arranging for this structure to be established, or contributing to that structure by way of a settlement of further capital, the taxpayer provides an objective indication that the provision of particular benefits to others is an 'independent pursuit'[12] of the expenditure.

42. In this regard, the arrangements discussed in this Determination can be contrasted with cases in which a taxpayer uses borrowed money to purchase a single asset which produces assessable income and which may also result in a capital gain or loss on disposal of the asset. If the possibility of the taxpayer making a capital gain on the disposal of the asset is simply an incident of the acquisition and holding of the asset for the purpose of producing assessable income then the essential character of the interest expense will be for the gaining of assessable income rather than the capital gain.[13]

Apportionment

43. If apportionment is required, what will be appropriate will be essentially a question of fact, to be determined in each case.[14] There must be 'a fair apportionment to each object of the… actual expenditure'.[15]

44. Where the borrowing is used to fund trust entitlements with distinct and severable parts, the deduction can be determined on a proportionate basis (see Example 1 at paragraphs 8 to 12 of this Determination).[16]

45. In other cases, the expenditure may serve several objectives indifferently and may not be capable of arithmetical or rateable division.[17] In these cases the result will depend to an even greater degree upon a finding of fact as to the extent to which the expenditure is incurred in gaining or producing assessable income. If income production appears to be a minor object of the taxpayer in borrowing the money upon which interest is incurred (and the benefiting of other persons a main or prevailing purpose) only a small part of the interest will be fairly and reasonably attributable to gaining the assessable income of the taxpayer: as a rule of thumb, generally no more than the assessable income derived by the taxpayer in a particular year[18] and in some cases less.

---

[12] *Fletcher v. Federal Commissioner of Taxation* (1991) 173 CLR 1; [1991] HCA 42; 91 ATC 4950 at 4958; (1991) 22 ATR 613 at 623 .
[13] See *In Re a Taxpayer (NSW No. 1)* (1932) 2 ATD 210.
[14] *Ronpibon Tin NL & Tongkah Compound NL v. Federal Commissioner of Taxation* [1949] HCA 15; (1949) 78 CLR 47 at 59; *Fletcher v. Federal Commissioner of Taxation* [1991] HCA 42; (1991) 173 CLR 1; 91 ATC 4950 at 4957; (1991) 22 ATR 613 at 621.
[15] *Ronpibon Tin NL & Tongkah Compound NL v. Federal Commissioner of Taxation* (1949) 78 CLR 47 at 60.
[16] *Ronpibon Tin NL & Tongkah Compound NL v. Federal Commissioner of Taxation* (1949) 78 CLR 47 at 59.
[17] *Ronpibon Tin NL & Tongkah Compound NL v. Federal Commissioner of Taxation* (1949) 78 CLR 47 at 59.
[18] See *Fletcher v. Federal Commissioner of Taxation* [1991] HCA 42; (1991) 173 CLR 1; (1991) 22 ATR 613; 91 ATC 4950 and *Ure v. Federal Commissioner of Taxation* (1981) 50 FLR 219; 81 ATC 4100; (1981) 11 ATR 484.

Perceived connection

46. In some cases no relationship will be seen between the incurring of interest expense and the production of assessable income for the taxpayer. The existence of a sufficient nexus between an outgoing and the production of assessable income is essentially a question of fact. However, no perceived connection[19] will be found merely because it is possible that a trustee, in the independent exercise of fiduciary power, might appoint income in a future year of income to the taxpayer. In such a case, the income arises by reason of the exercise of the trustee's discretion; and therefore lacks a sufficient relationship to the outgoing (see Example 4 at paragraphs 27 to 31 of this Determination).[20]

Part IVA

47. In the Commissioner's view, the taxpayer's interest expense is not deductible in full under section 8-1 of the ITAA 1997 in arrangements of the kind discussed in this Determination. To that extent, therefore, the arrangements would not give rise to tax benefits within the meaning of section 177C of the ITAA 1936.

48. However, if a taxpayer was entitled to an unapportioned deduction, the Commissioner may consider whether Part IVA of the ITAA 1936 applies. If the Commissioner concluded, based upon the facts of a particular case, that there was a scheme entered into for the sole or dominant purpose of obtaining a tax benefit, the Commissioner may determine that the whole or part of the deduction is not allowable to the taxpayer.

---

[19] *Federal Commissioner of Taxation v. Hatchett* (1971) 125 CLR 494; 71 ATC 4184 at 4187; (1971) 2 ATR 557 at 560.

[20] See also *Taxation Ruling* IT 2385; *Case V109* 88 ATC 697 at 698; *AAT Case 4487* (1988) 19 ATR 3695 at 3696.

References

Previous draft:

TD 2008/D16

Related Rulings/Determinations:

IT 2385; IT 2684; TR 2006/10

Subject references:

- allowable deductions
- apportionment
- hybrid trusts
- interest deductions
- trusts
- uncommercial trusts

Legislative references:

- ITAA 1936 51AAA
- ITAA 1936 Pt IVA
- ITAA 1936 177C
- ITAA 1997 8-1
- ITAA 1997 8-1(1)(a)
- ITAA 1997 8-1(2)(b)
- ITAA 1922
- ITAA 1922 23(1)(a)
- ITAA 1922 25(e)

Case references:

- Case V109 88 ATC 697; AAT Case 4487 (1988) 19 ATR 3695
- Charles Moore & Co (WA) Pty Ltd v. Federal Commissioner of Taxation (1956) 95 CLR 344; [1956] HCA 77
- Egerton-Warburton v. Deputy Federal Commissioner of Taxation (1934) 51 CLR 568; (1934) 8 ALJ 233; (1934) 3 ATD 40; (1934) ALR 380; [1934] HCA 40
- Federal Commissioner of Taxation v. Hatchett (1971) 125 CLR 494; 71 ATC 4184; (1971) 2 ATR 557; [1971] HCA 47
- Federal Commissioner of Taxation v. Isherwood & Dreyfus Pty Ltd (1979) 46 FLR 1; 79 ATC 4031; (1979) 9 ATR 473
- Federal Commissioner of Taxation v. Munro (1926) 38 CLR 153; (1926) 32 ALR 339; [1926] HCA 58
- Federal Commissioner of Taxation v. Roberts & Smith (1992) 37 FCR 246; 92 ATC 4380; (1992) 23 ATR 494
- Fletcher v. Federal Commissioner of Taxation (1991) 173 CLR 1; [1991] HCA 42; (1991) 22 ATR 613; 91 ATC 4950
- Hayden v. Federal Commissioner of Taxation (1996) 68 FCR 19; 96 ATC 4797; (1996) 33 ATR 352
- Hayley v. Federal Commissioner of Taxation (1958) 100 CLR 478; [1958] HCA 5
- In Re a Taxpayer (NSW No 1) (1932) 2 ATD 210
- Kidston Goldmines Ltd v. Federal Commissioner of Taxation (1991) 30 FCR 77; 91 ATC 4538; (1991) 22 ATR 168
- Lunney v. Federal Commissioner of Taxation; Hayley v. Federal Commissioner of Taxation (1958) 100 CLR 478; [1958] HCA 5
- Robert G Nall Ltd v. Federal Commissioner of Taxation (1936) 57 CLR 695; (1936) 4 ATD 335; (1936) 11 ALJ 204; [1937] HCA 88
- Ronpibon Tin NL & Tongkah Compound NL v. Federal Commissioner of Taxation (1949) 78 CLR 47; (1949) 8 ATD 431; (1949) 23 ALJ 139; [1949] HCA 15
- Ure v. Federal Commissioner of Taxation (1981) 50 FLR 219; 81 ATC 4100; (1981) 11 ATR 484
- WD & HO Wills (Australia) Pty Ltd v. Federal Commissioner of Taxation (1996) 65 FCR 298; 96 ATC 4223; (1996) 32 ATR 168

Other references:

- Taxpayer Alert TA 2008/3

ATO references
NO: 2008/10212
ISSN: 1038-8982
ATOlaw topic: Income Tax ~~ Deductions ~~ interest expenses