


TD 92/178 - Addendum - Income tax: is that part of the total cost incurred by Company A in acquiring shares in a third unrelated company from Company B under an underwriting agreement, and claimed as interest by Company A, deductible under subsection 51(1) of the Income Tax Assessment Act 1936 if:(a) company A treated the shares acquired as being on capital account; and (b) the underwriting agreement provided that the total acquisition cost was to include an amount expressed to be interest in relation to the period during which the agreement was current?

 This cover sheet is provided for information only. It does not form part of *TD 92/178 - Addendum - Income tax: is that part of the total cost incurred by Company A in acquiring shares in a third unrelated company from Company B under an underwriting agreement, and claimed as interest by Company A, deductible under subsection 51(1) of the Income Tax Assessment Act 1936 if:(a) company A treated the shares acquired as being on capital account; and (b) the underwriting agreement provided that the total acquisition cost was to include an amount expressed to be interest in relation to the period during which the agreement was current?*

 View the [consolidated version](#) for this notice.

Addendum

Income tax: is that part of the total cost incurred by Company A in acquiring shares in a third unrelated company from Company B under an underwriting agreement, and claimed as interest by Company A, deductible under subsection 51(1) of the *Income Tax Assessment Act 1936* if: (a) company A treated the shares acquired as being on capital account; and (b) the underwriting agreement provided that the total acquisition cost was to include an amount expressed to be interest in relation to the period during which the agreement was current?

This Addendum forms part of the Determination and, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the Taxation Administration Act 1953, it is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner.

The Tax Law Improvement Project is restructuring, renumbering and rewriting the income tax law in plain language. The Parliament is amending the income tax law progressively to reflect these aims. As new laws come into effect, Taxation Rulings (including Taxation Determinations) about old laws are being brought into line with them.

This Addendum amends Taxation Determination TD 92/178, in relation to the 1997-98 or a later income year, as follows:

1. Omit 'subsection 51(1); substitute 'section 8-1'.
2. Omit '*Income Tax Assessment Act 1936*'; substitute '*Income Tax Assessment Act 1997*'.
3. **Before paragraph 1**

Insert:

"Section 8-1 of the *Income Tax Assessment Act 1997*, to which this Ruling refers, expresses the same idea as subsection 51(1) of the *Income Tax Assessment Act 1936*."

Commissioner of Taxation

2 September 1998

ATO Ref: NAT 98/8220-1

ISSN 1038 - 8982