TD 93/48 - Income tax: is a deduction for borrowing costs allowable under section 67 of the Income Tax Assessment Act 1936 when a loan does not proceed?

⚠️ This cover sheet is provided for information only. It does not form part of *TD 93/48 - Income tax: is a deduction for borrowing costs allowable under section 67 of the Income Tax Assessment Act 1936 when a loan does not proceed?*

⚠️ This document has changed over time. This is a consolidated version of the ruling which was published on *25 March 1993*

This Determination, to the extent that it is capable of being a 'public ruling' in terms of PartáIVAAA of the *Taxation Administration Act 1953*, 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. Unless otherwise stated, this Determination applies to years commencing both before and after its date of issue. However, this Determination does 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 the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Taxation Determination

Income tax: is a deduction for borrowing costs allowable under section 67 of the *Income Tax Assessment Act 1936* when a loan does not proceed?

1.   If borrowing costs are incurred with a view to borrowing money and the loan does not proceed, no deduction is allowable under section 67.

2.   Section 67 requires that money must in fact be borrowed and must be used by the taxpayer for the purpose of producing assessable income.

Note: this determination is in accordance with the decision in *Case Q61* 83 ATC 319; 26 CTBR(NS) *Case 125*.

Commissioner of Taxation
25/3/93