

TD 94/65W - Income tax: property development: is a 'management reserve' taken into account in calculating notional taxable income under the estimated profits basis of returning income from a long term construction contract?

! This cover sheet is provided for information only. It does not form part of *TD 94/65W - Income tax: property development: is a 'management reserve' taken into account in calculating notional taxable income under the estimated profits basis of returning income from a long term construction contract?*

! TD 94/65 has been withdrawn as part of a project to review public rulings.

! This document has changed over time. This is a consolidated version of the ruling which was published on *18 October 2017*



Notice of Withdrawal

Taxation Determination

Income tax: property development: is a 'management reserve' taken into account in calculating notional taxable income under the estimated profits basis of returning income from a long term construction contract?

Taxation Determination TD 94/65 is withdrawn with effect from today.

1. TD 94/65 explains that only actual costs that are identified as likely to be incurred during the contract period and which are properly deductible, are taken into account in calculating 'notional taxable income' under the estimated profits basis. General claims for 'management reserves' are not sufficiently informative to be taken into account.
2. TD 94/65 is being withdrawn to form part of a consolidated ruling on the tax treatment of long term construction contracts.
3. The issue covered by TD 94/65 is now covered in Taxation Ruling TR 2017/D8.

Commissioner of Taxation

[18 October 2017](#)

ATO references

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