


***TD 96/45A - Addendum - Income tax: where a wholesaler's account for trading stock provides a retailer with a prompt payment discount which can be accumulated in an account, applied to the acquisition of new shares or transferred to an affiliated person or persons or company: can the retailer claim a deduction for the full purchase price; and is the discount assessable?***

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## Addendum

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### Taxation Determination

Income tax: where a wholesaler's account for trading stock provides a retailer with a prompt payment discount which can be accumulated in an account, applied to the acquisition of new shares or transferred to an affiliated person or persons or company:

- can the retailer claim a deduction for the full purchase price; and
- is the discount assessable?

This Addendum amends Taxation Determination TD 96/45 to reflect the changes to the law caused by the repeal of inoperative provisions.

#### TD 96/45 is amended as follows:

**1. Paragraph 2**

Omit 'subsection 51(1) of the *Income Tax Assessment Act 1936* (the Act)'; substitute 'section 8-1 of the *Income Tax Assessment Act 1997* (ITAA 1997)'.

**2. Paragraph 3**

Omit 'pursuant to subsection 25(1) of the Act'; substitute 'under section 6-5 of the ITAA 1997'.

**3. Paragraph 4**

Omit 'in accordance with section 19 of the Act' with 'under subsection 6-5(4) of the ITAA 1997'.

#### 4. Legislative references

Omit the references; substitute 'ITAA 1997 6-5; ITAA 1997 6-5(4); ITAA 1997 8-1'

This Addendum applies on and from 14 September 2006.

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**Commissioner of Taxation**

16 June 2010

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ATO references

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Income Tax ~~ Assessable income ~~ other payments