


# ***TR 2000/8WA1 - Withdrawal Addendum - Income tax: investment schemes***

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# Addendum to Withdrawal

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## Taxation Ruling

### Income tax: investment schemes

The Notice of Withdrawal for Taxation Ruling TR 2000/8 is amended to provide information about the outcome of a test case following the change of Australian Taxation Office (ATO) view published in TR 2007/8. TR 2007/8 was withdrawn on 11 February 2009 following the outcome of the test case.

#### **TR 2000/8 is amended as follows:**

##### **1. Paragraph 1**

Omit the paragraph; substitute:

1. Taxation Ruling TR 2000/8 set out the Australian Taxation Office (ATO) view on the availability of tax deductions for expenditure incurred by investors entering into investment schemes (as defined in paragraph 17 of the Ruling).

##### **2. Paragraph 2**

Omit the paragraph; substitute:

2. TR 2000/8 continues to apply to investors who entered into investment schemes that commenced to be carried out prior to 1 July 2008.

##### **3. Paragraph 3**

Omit the paragraph and footnote; substitute:

3. Taxation Ruling TR 2007/8 *Income tax: registered agricultural managed investment schemes*, issued on 17 October 2007 to replace TR 2000/8 with effect from 1 July 2008. TR 2007/8 expressed the view that expenses incurred by investors in investment schemes were incurred on capital account.

## 4. After paragraph 3

Insert:

4. The view contained in TR 2007/8 was judicially tested in *Hance v. FC of T*; *Hannebery v. FC of T* [2008] FCAFC 196; 2008 ATC 20-085. On 19 December 2008, the Full Federal Court handed down its decision and found that the expenses incurred by the applicants pursuant to the scheme were incurred in the course of carrying on a business and had the character of outgoings on revenue account rather than capital account. TR 2000/8 was withdrawn with effect from 11 February 2009.

5. The Notice of Withdrawal for TR 2007/8 stated that the Commissioner would consider whether a new ruling was needed but that applications for product rulings relating to schemes similar to that considered by the Full Federal Court were to be handled in accordance with the Court's decision.

6. The Commissioner issued a Decision Impact Statement on the Full Federal Court decision on 5 February 2009. The Commissioner considers that the decision of the Full Federal Court provides certainty in relation to the application of the law to deductions for contributions to registered agricultural managed investment schemes and no new ruling is required.

This Addendum applies on and from 10 July 2013.

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**Commissioner of Taxation**

10 July 2013

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ATO references

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ATOlaw topic: Income Tax ~~ Tax integrity measures ~~ schemes