


***TR 2004/14A2 - Addendum - Income tax:  
consolidation: recognising and measuring the  
liabilities of a joining entity under subsection  
705-70(1) of the Income Tax Assessment Act 1997  
where the entity becomes a subsidiary member of a  
consolidated group in a financial reporting period of  
the entity not beginning on or after 1 January 2005***

 This cover sheet is provided for information only. It does not form part of *TR 2004/14A2 - Addendum - Income tax: consolidation: recognising and measuring the liabilities of a joining entity under subsection 705-70(1) of the Income Tax Assessment Act 1997 where the entity becomes a subsidiary member of a consolidated group in a financial reporting period of the entity not beginning on or after 1 January 2005*

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



## Addendum

---

### Taxation Ruling

Income tax: consolidation: recognising and measuring the liabilities of a joining entity under subsection 705-70(1) of the *Income Tax Assessment Act 1997* where the entity becomes a subsidiary member of a consolidated group in a financial reporting period of the entity not beginning on or after 1 January 2005

This Addendum amends Taxation Ruling TR 2004/14 to take into account the changes introduced by Schedule 5 to the *Tax Laws Amendment (2010 Measures No. 1) Act 2010*.

#### TR 2004/14 is amended as follows:

**1. Paragraph 53**

Omit from the last dot point 'and the potential application of CGT event L7 in dealing with linked liabilities'.

**2. Paragraph 65**

Omit the last two sentences; substitute:

CGT event L7 is applicable where certain liabilities are taken into account in working out the ACA, but those liabilities are then later discharged for a higher realised amount. Capital losses may result in these circumstances where the liability is discharged by the head company on or after 1 July 2002 and before 10 February 2010.

This Addendum applies on and after 1 July 2002, the date of application of the amendments to the *Income Tax Assessment Act 1997* made by Part 12 of Schedule 5 to *Tax Laws Amendment (2010 Measures No. 1) Act 2010*.

# TR 2004/14

---

**Commissioner of Taxation**

29 June 2011

---

ATO references

NO: 1-23WCB9I

ISSN: 1039-0731

ATOlaw topic: Income Tax ~~ Consolidation ~~ tax cost setting amount