


# ***TR 2004/4A2 - Addendum - Income tax: deductions for interest incurred prior to the commencement of, or following the cessation of, relevant income earning activities***

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# Addendum

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## Taxation Ruling

### Income tax: deductions for interest incurred prior to the commencement of, or following the cessation of, relevant income earning activities

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Taxation Ruling TR 2004/4 to reflect the provisions of section 26-102 (expenses associated with holding vacant land) of the *Income Tax Assessment Act 1997*.

TR 2004/4 is amended as follows:

#### 1. Preamble

Omit the preamble; substitute:

##### ❶ Relying on this Ruling

This publication is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

#### 2. Paragraph 14

After the paragraph, insert new paragraph 14A and heading:

##### **Interest expenses associated with holding vacant land**

14A. Where the interest expense is associated with holding vacant land (for example, interest on a loan to purchase vacant land) and is otherwise deductible in accordance with this Ruling, section 26-102 of the ITAA 1997 may operate to deny that deduction. More generally, section 26-102 is discussed in draft Taxation Ruling TR 2021/D5 *Income tax: expenses associated with holding vacant land*.

This Addendum applies on and from 1 July 2019.

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**Commissioner of Taxation**

4 August 2021

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ATO references

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