

TR 2006/10A5 - Addendum - Public Rulings

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Addendum

Taxation Ruling Public Rulings

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Taxation Ruling TR 2006/10 to reflect the introduction of the Law Companion Guideline and Practical Compliance Guideline products.

TR 2006/10 is amended as follows:

1. **Paragraphs 2, 18, 22 (including heading), 23, 25, 26, 27, 39, 42, 51 and 69**

Omit all occurrences of 'Tax Office'; substitute 'ATO'.

2. **Paragraph 6**

Omit the last sentence; substitute 'The following examples demonstrate how a public ruling may apply only to certain entities or entities who display particular behavioural characteristics.'

3. **Paragraph 7**

Omit the heading '*Example*'; substitute '*Examples*'.

4. **Paragraph 8**

After the paragraph insert:

8AA. The Commissioner issues a Law Companion Guideline which is stated to be a public ruling and to apply to entities who rely on it in good faith. A later court decision determines that the view in the Guideline is not correct. Michaela has relied on the Guideline in good faith for the period it was in force, and thus the Guideline binds the Commissioner. By contrast, Veronica has used the Guideline inappropriately, choosing to rely on a single sentence in isolation rather than reading the Guideline as a whole. The protection of the Guideline does not apply in Veronica's case.

5. Paragraph 9

Omit the paragraph, substitute:

9. The Commissioner may also declare that advice provided generally in other documents, such as tax return instructions, is a public ruling for a specific class of taxpayers only, even though the information contained in the relevant publication may be relevant to a broader class.⁵

6. Paragraph 10

Omit the words 'public rulings (for example, *TaxPack*), this is not practical.', substitute 'public rulings, this may not be practical.'

7. Paragraph 16B

Omit the last two sentences, substitute 'The ATO will give greater consideration to the inclusion of such material in public rulings to increase their practical utility.'

8. Paragraph 16C

Omit the paragraph, substitute:

16C. Similarly, it is possible for a public ruling to deal with a practice developed by the Commissioner in relation to a particular provision that is authorised under the powers of general administration. For example, in certain limited circumstances, the Commissioner may decide that it is appropriate to accept a practical approach to compliance with a particular provision that may otherwise be onerous to comply with. This is sometimes called an administrative 'safe harbour'. Whilst such a topic could be addressed in a public ruling, the Commissioner would need to consider whether this was appropriate in a given case being mindful not to unduly fetter his administrative powers. As a matter of practice, such a topic would usually be discussed in a Practical Compliance Guideline^{13AA} rather than a ruling.

9. Paragraph 18

Omit 'website (<http://law.ato.gov.au>)', substitute 'website (<http://ato.gov.au/law>)'.

⁵ See paragraph 3.51 of the Explanatory Memorandum to the Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 2) 2005.

^{13AA} Practical Compliance Guidelines represent guidance material on how the ATO will allocate its compliance resources according to assessments of risk, and may outline administrative approaches that mitigate practical difficulties relating to the operation of tax laws. See PCG 2016/1. Formerly, some compliance approaches were prepared in a law administration practice statement in the GA series.

10. Footnotes 20 and 21

Omit the footnotes, substitute:

²⁰ See subsection 357-60(1) of Schedule 1 to the TAA.

²¹ See subsection 357-60(2) of Schedule 1 to the TAA.

11. Paragraph 23

After the paragraph insert:

Law Companion Guidelines

23A. A Law Companion Guideline expresses the Commissioner's view on how recently enacted law applies to a class of taxpayers, or to taxpayers generally. Typically, a Guideline will be published in draft at the time a Bill is introduced into Parliament, or soon after, and finalised as a public ruling soon after the Bill receives Royal Assent. LCG 2015/1 further explains the purpose and nature of Law companion guidelines, and their role in the ATO's public advice and guidance framework.

12. Paragraph 24

- (a) In the first sentence, omit 'Tax Office'; substitute 'ATO'
- (b) In the first dot point, omit '*Taxpack*'.

13. Paragraph 28

Omit the last sentence.

14. Footnote 25

Omit the footnote, substitute:

²⁵ See paragraphs 22 to 23A of this Ruling.

15. Paragraph 75

- (a) Omit the first and third occurrences of 'Tax Office'; substitute 'ATO'.
- (b) Omit the second occurrence of 'Tax Office'; substitute 'ATO's'.

16. Paragraph 79 – Detailed contents list

Omit:

The types of rulings the Tax Office publishes

Insert:

The types of rulings the ATO publishes	22
<i>Law Companion Guidelines</i>	23A

17. Related Rulings/Determinations:

Insert 'LCG 2015/1; PCG 2016/1'.

The Addendum applies both before and after date of issue.

Commissioner of Taxation

12 October 2016

ATO references

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