

TR 92/4A1 - Addendum - Income tax: whether losses on isolated transactions are deductible

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Addendum

Taxation Ruling

Income tax: whether losses on isolated transactions are deductible

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Taxation Ruling TR 92/4 to update the legislative references from the *Income Tax Assessment Act 1936* to the *Income Tax Assessment Act 1997*.

TR 92/4 is amended as follows:

1. Paragraph 1

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

2. Paragraph 2

Omit the paragraph; substitute:

2. The Ruling does not consider the application of section 25-40 of the ITAA 1997, the capital gains and capital losses provisions (Parts 3-1 and 3-3 of ITAA 1997) or section 52 of the *Income Tax Assessment Act 1936* (ITAA 1936).

3. Paragraph 3

Omit the paragraph; substitute:

3. 'This Ruling should be read with Taxation Ruling TR 92/3, which deals with whether profits from isolated transactions are income and therefore assessable under section 6-5 of ITAA 1997.'

4. Paragraph 4

Omit 'subsection 51(1)'; substitute 'section 8-1'.

5. Paragraph 6

Omit the paragraph; substitute:

6. The general deduction provision is found in section 8-1 and can apply to losses that satisfy a positive limb (connection with the gaining or producing of assessable income) and do not satisfy a negative limb (such as being capital, or of a capital nature).

7. Paragraph 8

Omit 'subsection 51(1)'; substitute 'section 8-1'.

8. Paragraph 9

- (a) Omit 'subsection 51(1)'; substitute 'section 8-1'.
- (b) Insert '(1988)' before '19 ATR 938'.

9. Paragraph 10

Omit 'subsection 51(1)'; substitute 'section 8-1'.

10. Paragraph 11

Omit 'subsection 51(1)'; substitute 'section 8-1'.

11. Paragraph 13

- (a) Omit 'subsection 51(1)'; substitute 'section 8-1'.
- (b) Omit 'subsection 25(1)'; substitute 'section 6-5'.

12. Paragraph 14

Insert '(1987)' before '18 ATR 693'.

13. Paragraph 16

Omit 'subsection 51(1)'; substitute 'section 8-1'.

14. Paragraph 17

Omit 'subsection 51(1)'; substitute 'section 8-1'.

15. Paragraph 20

Omit 'subsection 51(1)'; substitute 'section 8-1'.

16. Paragraph 22

- (a) Omit 'subsection 51(1)'; substitute 'section 8-1'.
- (b) Omit 'subsection 25(1)', substitute 'section 6-5'.

17. Paragraph 23

- (a) Omit '1987'; substitute '2012'.

(b) Omit '1992; substitute '2017'.

18. Paragraph 24

Omit 'subsection 51(1)'; substitute 'section 8-1'.

19. Legislative references

Omit 'ITAA 1936 51(1)'; substitute "ITAA 1997 8-1".

20. Case references

(a) Before '18 ATR 158' insert '(1987)'

(b) Before '19 ATR 938' insert '(1988)'

This Addendum applies on and from 22 March 2017.

Commissioner of Taxation

22 March 2017

ATO references

NO: 1-A8ODO8A
ISSN: 2205-6211
BSL: TCN

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