

Australian Taxation Law



a Wolters Kluwer business

21st Edition

Woellner
Barkoczy
Murphy
Evans
Pinto

2011



Index

All references are to paragraph (¶) numbers.

Paragraph	Paragraph
A	
ABN 32-375	deductions 10-540
Australian Business Register	Accumulation funds 23-040
(ABR) 32-380	Additional tax — see Penalty tax
eligibility, application and	ADFs
registration 32-385	CGT 23-087
offence to misuse 32-395	complying and non-
quotation 32-390; 32-420	complying 23-050
refusal to register,	jurisdiction to tax 24-026
cancellation and rights of	rates of tax 2-150; 23-095
review 32-390	superannuation entity 23-030
Above-average special professional	taxation 23-075–23-098
income 21-320	
Access to information	ADI — see Authorised deposit-taking institutions
— see also Information	Adjusted fringe benefits total 2-050
Commissioner's powers to	Adjusted taxable income 2-050; 2-560
obtain information 29-130–29-180	Administrative Appeals Tribunal
taxpayer's right 31-020–31-130	alternative dispute resolution 31-545
freedom of information 31-050–31-130	appeal to Federal Court on
Accounting — see Tax accounting	question of law 31-600–31-620
Accounts — see Records	miscellaneous aspects of
Accruals basis	proceedings 31-580
accounting 13-100–13-160	particulars of Commissioner's
“amount uncertainty” 13-370	case 31-560
deposits and warranties 13-335	powers of review 31-570
discounts 13-325	review of Commissioner's
disputed income 13-345	discretions 1-510
future goods or services 13-340	review remission of penalty
incapacity to enforce	tax 33-084
payment 13-350	reviews 31-524
income “derived”/income	alternative appeal paths 31-510–31-530
“receivable” 13-300	constitution and conduct of
“incurred” expenses 13-510–13-520	hearings 31-535
issuing of invoices 13-360	General Tax Division 31-530
potential refund 13-330	preliminary conferences and
time of earning 13-320	directions hearings 31-545
time of payment 13-310	Small Taxation Claims
work in progress 13-380	Tribunal 31-525
Accruals taxation — see Foreign	
income accruals taxation	Adopted children
Accrued leave entitlements	first child tax offset 2-600
accruing liability 13-544	Adoption leave
	pay-roll tax 28-362

Paragraph	Paragraph
Advance payments — see Prepayments	time limits
AFTS Report 1-110; 1-180; 1-190; 1-250; 5-200; 15-000; 18-420; 21-240; 25-450; 26-000; 29-010	amendment period and extension procedure 30-640 on Commissioner's power 30-620
Henry Tax Review FBT exemption..... 26-180	
Henry Tax Review reform recommendations..... 1-250; 19-280	
Agency contracts	
termination compensation..... 6-850	
Aggregated turnover test	
small business entities and concessions 15-105	
Agreements	
avoidance of tax — see Anti- avoidance provisions	
cancellation of "structural" agreement..... 6-840	
Airline transport fringe benefits 26-530	
calculating taxable value 26-535	
Alienation of income	
income splitting..... 25-960	
Alienation of income from property 25-445	
Alienation of the personal services	
income of employees ...25-450–25-490	
assessability..... 4-080	
attributed to individual..... 25-480	
attribution of income 25-470	
individual's deductions 25-490	
PAYG withholding system 32-425	
personal services business 25-475	
personal services entity deductions 25-485	
Allocated annuities and pensions	
income from property..... 5-300	
Allowances 4-110–4-170	
educational..... 9-100	
pay-roll tax 28-362	
Amendment of assessments 30-600	
interest on underpayments 30-690	
objections..... 31-410	
schemes to reduce income tax 25-700	
self-amendment 30-550	
time limits	
amendment period and extension procedure 30-640	
on Commissioner's power 30-620	
Annual leave	
accrued leave payments 10-540	
Annuities 5-300–5-380	
CGT exemption 8-080	
deductible amount 5-320	
definition 5-000; 5-300	
fixed term or life annuities 5-300	
income arrears rebate 2-690	
instalment sale transactions 5-380	
non-superannuation annuities 5-320	
purchase price 5-320	
purchased annuities 5-300	
"recovery of capital" exclusion 5-320	
structured settlement payments 9-200	
undeducted purchase price 5-320	
Anti-avoidance provisions	
— see also Avoidance of tax	
alienation of income from property 25-445	
alienation of personal services income 25-450–25-490	
CGT planning 25-989	
civil penalty regime for tax scheme promoters 25-755	
corporate carry forward losses	
company maintaining same owners 19-020	
loss duplication and other schemes 19-050–19-070	
net capital losses and capital losses 19-095	
criminal offences legislation 25-760; 25-765	
deductible gifts 11-730	
dividend stripping 18-428	
expenditure recoupment schemes 25-435	
general provisions 25-600–25-710	
GST 25-750; 27-196	

Paragraph	Paragraph
lease assignments	22-710
legal effect.....	25-340
non-residents withholding	
tax	24-600
overview.....	25-000
pay-roll tax	28-363; 28-375
payments to related entities.....	25-440
prepayment schemes	25-425
private companies	
excessive payments to associates ...	18-520
loans to associates	18-510
Pt IVA.....	25-600-25-710
research and development	
expenditure.....	21-955
schemes to reduce income	
tax	25-610-25-617
amendment of assessments	25-700
definition of scheme.....	25-615
identification	25-617
ordinary business or family	
dealings.....	25-660
penalties	25-710
purpose test	25-650-25-670
tax benefit	25-620-25-695
"sham"	25-330
share capital tainting and	
capital benefit	
streaming	18-565-18-590
specific provisions	25-400-25-445
tax benefits	25-620-25-635
cancellation.....	25-680-25-695
substituting assessable income	25-625
tax deferral schemes	25-430
tax effect	25-345
transfer pricing	24-680; 24-690
trusts	17-310
closely held trusts	17-315
family trust distribution tax.....	17-319
revocable trusts and trusts for	
minors.....	17-225
trust losses	17-318
<i>Trust Recoupment Tax Assessment Act</i>	
1985	17-330
trust stripping	17-320; 17-330
Appeals	
— see also Dispute resolution; Review	
centralised and standardised	
procedures	31-305
challenging assessment.....	31-300
challenging objection	
decision	31-500
initial appeal to Federal Court.....	31-522
transfer to Family Court or Federal	
Magistrates Court	31-523
diagrammatic overview of	
appeal paths	31-310
Federal Court	31-600-31-620
Full Federal Court	31-620
High Court	31-620
implementation of decisions.....	31-700
ombudsman	31-210-31-230
pending, recovery of tax	32-120
taxpayer's rights to	
information.....	31-020-31-130
Tribunal or Court.....	31-500-31-530
Apportionment of compensation	
payments	6-880
Apportionment of deductions	10-200
Apportionment of expenditure	11-560
Apprentices	
educational allowances	9-100
Arrears of income rebate	2-690
Art businesses	6-100
Artists	
averaging of income	21-300-21-340
Asprey Committee Report	
CGT	7-015
tax system	1-185; 1-190; 1-200
Assessable income	3-060
annuities	5-300-5-380
bounties and subsidies.....	6-750
business proceeds	6-400-6-750
car expenses, reimbursement	4-190
car lease profits.....	5-475
co-operative companies	21-420
compensation payments	6-800-6-910
competing concepts of	
income.....	3-020-3-050
deceased estates	17-240-17-260
determination	3-090
employee share schemes	4-400-4-440
employment and services-	
related allowances	4-110-4-170
foreign residents.....	24-550-24-580
income conversions	6-455
income from business	6-000-6-910
realisation of investments....	6-510-6-560

Paragraph	Paragraph
Assessable income—continued	
income from personal exertion	4-000–4-440
income from property.....	5-000–5-600
“income”, meaning	
ITAA97	3-080
interaction between GST and assessable income	3-120
interest.....	5-200–5-275
jurisdictional limits.....	24-020
lease and rental income	5-400–5-475
lease incentives.....	6-448
life insurance companies.....	21-411
mutual insurance associations.....	21-430
net capital gain	7-050
non-assessable income	3-100
non-cash business benefits	6-480
ordinary income	3-150–3-290
overview.....	3-000
profit-making undertakings	
or plans.....	6-490
profits on disposal	
isolated transactions.....	6-420
property acquired for resale	
at profit (pre 20 Sept 85)	6-485
reconciliation rules.....	4-170
recoupment of deductible expenses.....	3-400; 3-420
return to work payments	4-200
royalties	5-500–5-540
shareholders	18-205
tax accounting — see Tax accounting	
tax planning.....	25-920
taxable income — general principle	2-030
trusts — see Trusts	
Assessments	
amendment — see Amendment of assessments	
ancillary provisions	
service of notice	30-465; 32-020
time for issuing.....	30-460
validity and conclusive effect	30-467
foreign residents.....	24-560–24-580
GST	27-187
making an assessment	30-425
deemed assessment: s 166A.....	30-440
default assessment: s 167	30-450
ordinary assessment: s 166	30-430
other assessment: s 169	30-457
special assessment: s 168.....	30-455
nature of an assessment	30-400
bona fide and definitive	30-420
identification	30-410
objections — see Objections	
pay-roll tax	28-365
Asset financing	22-760
Asset register (CGT)	7-960
Assets	
— see also Property	
compensation for permanent loss	6-840
compensation for temporary disablement	6-830
temporary investment allowance	12-460–12-480
Assignment	
partnership income	16-460–16-490
right to receive property income.....	5-600
Associates	
employee share schemes	8-625
fringe benefits	26-140
income splitting	25-960
leased cars, profit on sale	5-475
private companies	
excessive payments.....	18-520
loans	18-510
Associations	
membership payments	11-590
non-profit — see Non-profit associations	
ATO	
— see also Commissioner	
advice	
non-binding	30-471
protection against penalties.....	30-495
attitude to tax planning	25-845
Board of Taxation.....	29-010
claiming compensation	29-008
confidentiality.....	29-040–29-060
external scrutiny	29-005
GST Line	29-267

Paragraph	Paragraph
Inspector-General of Taxation 29-010	Authors
key player in Australian tax administration 29-010	averaging income 21-300–21-340
litigation practices 31-505	Averaging of income
non-profit organisations Line 29-269	artists, composers, inventors, sportspersons, etc 21-300
non-ruling advice and general administrative practice 30-490	above-average special professional income 21-320
online development 29-005	example of provisions 21-340
performance monitoring 29-005	special professionals 21-310
practice as source of "law" 1-490–1-520	primary producers 21-130
rulings 30-472–30-487	tax planning 25-940
protection against penalties 30-495	Avoidance of tax 25-300
self-education expenses 10-440	— see also Anti-avoidance provisions
targeting tax evasion 25-105	amendment of assessments 30-620
tax administration 29-000	community attitudes and
tax investigations — see	government responses 25-835
Audits, taxation	judicial barriers 25-310–25-345
Taxpayer Alerts 27-145	mass marketed schemes 25-855
Taxpayers' Charter 29-005	partnership arrangements 16-320
Audits, taxation	assignment of income 16-460
ATO targeting activity 29-270	tax evasion/tax planning
GST 27-194; 29-268	distinguished 25-025
large business and	tax planning 25-800
international group 29-265	tax resistance 1-080
Personal Tax Group 29-255	B
serious non-compliance and	Baby bonus 2-600
prosecutions 29-267	Bad debts
small to medium enterprises 29-260	commercial debt forgiveness 11-460;
voluntary compliance 29-245; 29-250	21-200; 22-660
AUSTRAC 32-230	corporate bad debts 19-140
Australian Business Number — see	concessional tracing rules of widely
ABN	held and Div 166 companies 19-148
Australian Business Register 32-380	creation of losses 19-150
Australian films — see Films, Australian	deductions 11-440
Australian source income	affected by other provisions 11-460
non-residents 24-010	debt/equity swaps 11-470
residence of individuals 24-050	elements 11-450
Australian Taxation Office — see	GST adjustments 27-095
ATO	recovery 11-460
Australian Transaction Reports and Analysis Centre — see AUSTRAC	Balancing adjustment
Australia's Future Tax System 18-130	financial arrangements 22-890
Authorised deposit-taking institutions 21-080	Balancing adjustments
thin capitalisation rules 24-860	depreciating assets 12-250
	CGT assets 7-540
	CGT event 7-475
	contribution to partnership 16-110
	roll-over relief 12-270
	R&D plant 21-950

Paragraph	Paragraph
Bankruptcy	
CGT provisions	7-985
bankrupt's payment	7-450
Banks	
realisation of assets	6-510
Bare trusts	17-040
Barter and countertrade transactions	3-230
BAS	32-505
BAS agents	
registration	
applicant	33-320
application	33-315
circumstances justifying deregistration	33-500
civil penalties	33-570
conditional registration	33-495
educational requirements	33-323
requirement of "relevant employment"	33-325
restrictions on tax work outside the tax law	33-720
Tax Practitioners Board	33-310
Beneficiaries	
CGT	
absolutely entitled	7-990
absolutely entitled to trust asset	7-205
asset passing to tax-advantaged entity	7-455
deceased estates	8-500–8-530
disposal of capital interest	7-215
disposal to end capital interest	7-215
disposal to end right to income	7-210
employee share trusts	8-625
closely held trusts	17-315
TFNs	32-335
distributions out of corpus	17-300
foreign income	24-024
legal disability	17-070
non-resident beneficiary	24-024
non-resident trusts	24-024; 24-318
presently entitled	
deemed	17-100; 17-305
default vesting clause	17-090
legal disability	17-180
no legal disability	17-170
outline	17-080
primary production business	21-130
social security beneficiary	
rebate	2-740
trust income	17-060
penalty for false statements	17-220
receipt of income not previously taxed	17-210
trust stripping	17-320
trustees, rates of tax	2-140
Benefits	
employment and services	4-110–4-170
fringe benefits — see Fringe benefits	
non-cash business benefits	6-480; 10-610
social security — see Social security benefits and allowances	
superannuation — see Superannuation benefits	
Blended payment loans	
interest	5-200
Board fringe benefits	26-540
calculating taxable value	26-541
Board of Taxation	
post implementation review	20-170
Boats	
deductibility of expenses	10-580
Bonus shares	18-535
anti-streaming rules	18-425
CGT rules	8-610
streaming	18-590
Bonuses	
assessable income	4-140–4-170
life assurance policies, rebate	2-760
Borrowed funds	
interest, deductibility	10-460
Borrowing expenses	11-565
superannuation contributions	23-160
Borrowings	
land transport offset	2-770
Bottom-of-the-harbour schemes	25-760
Bounties and subsidies	6-750
Bribes to public officials	10-585
Bridging for Overseas Trained Professional Loan Scheme (BOTPLS)	2-400

Paragraph	Paragraph
Buildings	
CGT separate assets.....	7-540
Commissioner's access	
powers	29-140
income-producing — see	
Capital works	
research and development.....	21-950
Bursaries	9-100
Business	
— see also Income from business	
commencement	6-250
definition	6-050
entertainment expenses	10-600
losses or outgoings	10-160
non-deductible non-cash	
benefits.....	10-610
prepayment of expenditure.....	13-534
primary producers — see	
Primary producers	
running through an online	
selling site	6-110
termination	6-280
trading stock.....	14-030
Business entities, deductions	10-270
Business-related capital expenditure	12-300
calculation of deduction	12-330
deductible	12-310
non-deductible	12-320
Business travel expenses	
substantiation	10-700
Buy-backs of shares — see Share buy-backs	
C	
Call options	8-660
Capital allowances	12-000
asset used for a "taxable purpose"	12-120
blackhole capital	
expenditure, business-related	
costs	12-300–12-330
capital works — see Capital works	
depreciating assets — see	
Depreciating assets	
leasing transactions	22-700
small business entities and	
concessions	15-300
calculating closing pool balance... 15-324	
calculating pool deduction..... 15-322	
disposal of depreciating assets 15-330	
effect on pools where a tax payer ceases to be an eligible small business	15-340
immediate write-off for low total pool value.....	15-325
low cost assets.....	15-310
pooling	15-320
temporary investment	
allowance	12-460
deduction calculation..... 12-480	
eligibility conditions	12-470
uniform capital allowance system	12-100–12-250
Capital equipment	
accounting methods	13-120
Capital expenditure	
Australian film investment,	
pre-1 July 2007	21-900
blackhole expenditure,	
business related costs	12-300–12-330
deduction.....	10-260
interest.....	10-460
mining companies.....	21-200–21-245
no deduction	11-050–11-080
primary producers	21-150
R&D buildings	21-950
tax-related expenses.....	11-560
Capital gains or losses	
— see also Losses	
carry forward net capital	
losses	19-090–19-095
entity making gain or loss	7-975–7-995
financial arrangements	
tax-timing regime	22-800–22-900
ordinary income	3-280
sale of PDF shares	21-610
tax benefit	25-620
tax planning.....	25-920; 25-940; 25-986
temporary residents.....	7-375; 24-214
Capital gains tax	
— see also Capital gains tax, roll-over relief	
asset ceases to be pre-CGT	
asset.....	8-850–8-855

Paragraph	Paragraph
Capital gains tax—continued	
asset register	7-960
Australian residence ends	
individual or company	7-375
trusts	7-380
bankruptcy and liquidation	7-985
bankrupt's payment	7-450
basic structure of regime	7-050
beneficiaries absolutely	
entitled.....	7-205; 7-990
bonus shares and units.....	8-610
capital gains, tax rate	7-950
capital proceeds	
definition.....	7-605
GST.....	7-607
modifications to definition.....	7-610
special rules	7-615
CGT assets	7-500–7-540
cancellation, surrender, etc.....	7-150
classification	7-520
classification rules	7-535
collectables	7-525
end of option to acquire shares	7-155
joint tenants	7-515
loss or destruction	7-145
necessary connection with	
Australia	24-020; 24-120
personal use assets.....	7-530
pre-CGT asset capital	
improvements	7-540
property.....	7-510
separate CGT assets	7-540
timing of acquisition	7-550–7-570
CGT events.....	7-100
asset becomes trading stock	7-460
asset passes to tax-advantaged	
entity	7-455
Australian residence ends	7-370–7-380
balancing adjustment events for	
depreciating assets	7-475
bankrupt's payment	7-450
bringing CGT asset into	
existence.....	7-160–7-178
capital gain or loss	7-600
capital proceeds	7-605–7-615
carried interests	7-485
consolidated groups	7-490–7-498
cost base	7-620–7-625
direct value shifts.....	7-480
disposal of CGT asset	7-120
end of CGT asset	7-140–7-155
exceptions or exemptions	7-700–7-720
foreign hybrid loss exposure	
adjustment	7-488
leases	7-250–7-275
order of application	7-110
pre-CGT shares or trust interest.....	7-470
reduced cost base	7-630; 7-635
reversal of roll-overs	7-400–7-420
shares.....	7-300–7-315
short term forex realisation gains and	
losses	7-487
special capital receipts.....	7-350–7-360
special collectables	7-465
trusts	7-180–7-225
use and enjoyment of asset before	
title passes	7-130
compensation payments	6-910
concessions and special rules.....	8-000
conservation covenant	7-178
contractual or other rights	7-165
convertible interests	8-620
cost base.....	7-620
elements	7-625
GST implications.....	7-622
maximisation	25-986
cost base indexation	7-690
12-month ownership	7-692
calculation examples	7-698
cost modifications	7-695
index numbers	34-225
roll-over expenditure	7-697
cost base modifications	7-640
apportionment rules	7-655
assumption of liability rule	7-660
market value substitution rule	7-645
replacement-asset roll-overs	7-675
same-asset roll-overs	7-680
specific rules	7-670
split, changed or merged assets	7-650
deceased estates	8-500
asset passing to beneficiary	8-530
effect of death	8-510
effect on legal personal representative	
or beneficiary	8-520
joint tenants	8-540
discount	7-915
12-month holding period	7-925
CGT events	7-920

Paragraph	Paragraph
listed investment companies 7-935	discount percentages 7-915–7-935
tax planning 25-986	identification 7-905
trusts 7-930	previous years' capital losses 7-910
employee share schemes 8-625	non-residents 8-700–8-730
entities making gain or loss 7-975–7-995	taxable Australian property 8-720
exchangeable interests 8-630	taxable Australian property (proposed) 24-120
exempt assets 7-705	options 8-660
exemptions 7-700	grant 7-170
anti-overlap provisions 7-710	overview 7-000
exempt or loss-denying	partnerships 7-980
transactions 7-715	assignment expenses 16-485
insurance and superannuation 8-080	contribution of CGT assets 16-120
main residence 8-050–8-060	<i>Everett</i> assignments 16-490
specific exemptions 7-720	interest assignment 16-480
venture capital 8-090; 8-090–8-095	non-resident partner 24-022
foreign branch profits 24-217	pre-1985 7-015
foreign capital gains 24-360	realisation of share
foreign currency exchange	investments 18-530
gains and losses 22-300–22-360	receipt for event re CGT
forex realisation events 22-380–22-500	asset 7-360
foreign residents 24-550	record-keeping 7-960
forfeiture of deposits 7-355	reduced cost base 7-630
history in Australia 7-015–7-025	elements 7-635
improvements to pre-CGT	reduced cost base
assets 34-230	modifications 7-640
indexation of cost base — see	apportionment rules 7-655
cost base indexation (above)	assumption of liability rule 7-660
investments 8-600–8-630	market value substitution rule 7-645
key design features 7-030	replacement-asset roll-over 7-675
leased plant, disposal 22-710	same-asset roll-over 7-680
leases 7-250; 8-650	specific rules 7-670
changing lease 7-265–7-275	split, changed or merged assets 7-650
grant 7-255	rights 8-615
granting long-term lease 7-260	roll-over relief — see Capital
lease premiums 5-420	gains tax, roll-over relief
liquidation distributions 18-560	security holders 7-995
main residence exemption 8-050–8-090	share buy-backs 18-550
mining, granting right to	shares 7-300
income 7-175	capital payments 7-305
National Rental	capital reductions 18-540
Affordability Scheme	
(NRAS) 21-860	
net capital gain/loss for	
income year 7-900	

Paragraph	Paragraph
Capital gains tax—continued	
liquidator declares shares worthless.....	7-315
shares in active foreign companies	24-222
small business concessions	7-940;
8-400–8-450	
13-year exemption	8-420
50% reduction	8-430
conditions	8-410
retirement exemption	8-440
roll-over	8-450
superannuation entities	23-087
tax planning	25-980–25-989
tax rate on capital gains	7-950
traditional securities,	
convertible or exchangeable interests	22-620
transfer of corporate losses	19-130
trusts	7-180
beneficiary absolutely entitled.....	7-205
capital payment for interest	7-200
converting to unit trust	7-195
creating trust over CGT asset.....	7-185
creating trust over future property	7-225
disposal by beneficiary of capital interest.....	7-220
disposal to beneficiary to end capital interest	7-215
disposal to beneficiary to end right to income	7-210
jurisdiction to tax	24-024
transferring CGT asset to trust	7-190
value shifts	
direct value shifting	8-805
general value shifting regime	8-800
indirect value shifting	8-810
venture capital exemption	8-090–8-095
carried interests	7-485
Capital gains tax, roll-over relief	7-800;
	8-100
— see also Capital gains tax; Roll-over relief	
demergers	8-298
facility agreements	22-520
improved asset roll-over change of status	7-410
replacement-asset roll-overs.....	7-820;
	8-200–8-295
asset compulsorily acquired, lost or destroyed.....	8-210
change of status	7-410
conversion of body to incorporated company.....	8-260
cost base and reduced cost base modifications	7-675
cost base indexation	7-697
Crown leases	8-270
depreciating assets	8-280
exchange of rights or options	8-245
exchange of shares in another company	8-250
exchange of shares or units	8-240
exchange of units for shares	8-255
failure to acquire	7-425
failure to incur significant expenditure	7-430
prospecting or mining entitlement	8-290
scrip for scrip	8-295
small businesses	8-450
statutory licence, renewal or extension	8-220
strata title conversions	8-230
replacement assets	
exchange of membership interests in Medical Defence Organisation (MDOs)	8-297
exchange of stapled ownership interests for ownership interests in a unit trust	8-297
financial services reform transitions	8-297
reversal	7-400–7-420
same-asset roll-overs	7-810; 8-300
cost base and reduced cost base modifications	7-675
cost base indexation	7-697
marriage breakdown	8-310
relationship breakdown	8-310
transfer of assets between group companies	8-320
small businesses	8-450
superannuation entities	23-087
transfer of assets to wholly-owned company	8-105

	Paragraph		Paragraph
same-asset roll-overs	8-320	Carry forward losses	
transfer by individuals and trusts	8-110	corporate tax losses	19-000
transfer by partners	8-120	amount of prior year loss deducted in	
trust failing to cease to exist	7-420	later income year	18-490
trust restructures	8-296	change in ownership and failed same	
Capital improvements		business test	19-040
CGT separate assets	7-540	continuity of ownership test	19-010
Capital losses — see Capital gains or losses		maintaining same owners	19-020
Capital proceeds, CGT events	7-605–7-615	restrictions on choosing the amount	
GST	7-607	of tax losses to deduct in income	
special rules	7-615	year	19-270
Capital protected borrowings		restrictions on net capital	
acquisition of securities	22-670	losses	19-090–19-095
Capital works	12-500	same business test	19-030
balancing deduction on		deductions	11-500–11-530
destruction of	12-540	calculating tax losses	11-520
calculation	12-530	limit	11-530
definitions	12-510	non-commercial business	
entitlement to deductions	12-520	activities	11-550–11-558
rates	12-520	net capital losses	7-910
Car depreciation limit	12-250	partnership losses	16-210
Car expenses		Cash accounting	13-100–13-160
— see also Car fringe benefits		constructive receipt	13-220
expense payment fringe		delay in payment on request	13-230
benefits	26-500	former STS taxpayers	15-200
personal services entity		“incurred” expenses	13-510–13-520
deductions	25-485	instalment sales and	
prescribed rates per		emerging profits accounting	13-240
kilometre	34-170	non-cash receipt	13-200
reimbursement	4-190; 10-607	receipt of cheque	13-210
substantiation	10-695		
travel expenses	10-475	Cash dealers	
Car fringe benefits	26-400	financial transaction reports	32-230
— see also Car expenses		administrative provisions	32-270
calculating taxable value	26-405	offences	32-240–32-260
example	26-420	suspect transactions	32-240
operating cost basis	26-415		
statutory formula	26-410; 34-400	Cash Economy Task Force	25-105
personal services entity		Cash transaction reports — see Financial transaction reports	
deductions	25-485		
“private use”	26-400	CFCs — see Controlled foreign companies	
Car leases, assessable profit	5-475		
Car parking expenses	10-602	Charitable institutions	
Car parking fringe benefits	26-548	charity, meaning	9-030
calculating taxable value	26-549	exempt income	9-030
		GST-free supply	27-135
		Charity	
		National Rental	
		Affordability Scheme	
		(NRAS)	9-040

	Paragraph		Paragraph
Child care		refunds of surpluses and credits.....	32-510
GST-free supply	27-135		
tax offset	2-680		
Child Care Benefits	2-250	Commencement of business	6-250
Child-housekeeper rebate	2-560	Commercial debt forgiveness	
Children		deductibility	11-460; 22-660
dependant rebate.....	2-560	mining concessions	21-200
income splitting.....	25-970		
isolated, educational assistance	9-100		
maintenance.....	9-090	Commissioner	
partnerships	16-086	— see also ATO	
personal superannuation contributions		access and information	
deductibility	23-120	gathering powers	29-100
rates of tax	34-020	access powers	29-140–29-180
TFN exemption	32-345	documents and evidence	29-160–29-180
trusts	17-225	GST	27-194
Christmas Island	24-030	investigative powers	29-130
Civil penalties		legal professional	
tax agents	33-000; 33-063; 33-095	privilege	29-210–29-235
Civil penalty regime		making and retaining tax-related records	29-110–29-120
tax scheme promoters	25-755	overview	29-130
Closely held trusts	17-315	search warrants	29-190
Clothing		sec 264: general principles	29-180
non-compulsory uniforms	10-605	sec 264: validity of notice	29-176
Clubs		tax investigations	29-245–29-270
distribution of surplus on winding up	9-255	amendment of assessments — see Amendment of assessments	29-010
exempt income	9-070	appointment	29-010
mutuality principle	9-250; 9-255	assessments — see Assessments	
Co-operative companies	21-420	cancellation of tax	
Cocos (Keeling) Islands	24-030	benefits	25-680–25-695
Collectables		delegation	29-010
— see also Personal use assets		implementation of Tribunal or Court decisions	31-700
CGT assets	7-525	investigations — see Investigations	
capital proceeds	7-615	objections	
exempt assets	7-705	appeal or review	31-500–31-620
GST implications	7-622	consideration	31-420
special collectables	7-465	not limited to original grounds	31-400
Collection of tax		reasons for decision	31-430
— see also Recovery of unpaid tax		review of decisions	31-530–31-620
background	32-400	power to require lodgment of further returns	30-330
BAS and running balance accounts	32-505	prosecutions	33-030; 33-035
PAYG system	32-405–32-500	responsibilities	29-010
Commissioner's discretion		remission of penalty tax	33-084

	Paragraph		Paragraph
review	1-510	continuity of ownership	
rule-making by use	1-500	carry-forward tax losses	19-010
Common law		concessional tracing rules.....	19-045;
business income	6-410–6-455		19-047
realisation of investments....	6-510–6-530	losses of previous years	19-060
sale of information	6-560	widely held companies and eligible	
compensation payments	6-800; 6-880	Div 166 companies.....	19-045
income — see Ordinary		corporate management	18-010
income		debt and equity rules.....	22-010
income from personal		direct value shifting affecting	
exertion — see Income from		equity/loan interests.....	8-805
personal exertion		CGT	7-480
legal professional		dividends — see Dividends	
privilege	29-205–29-215	imputation system — see	
statutory regime, interaction.....	29-205	Imputation system	
taxpayer's rights to		income year	13-025
information.....	31-030	substituted accounting period.....	13-030
Commonwealth income tax		liquidation distributions	18-560
state judgment debt recovery		loss duplication and other	
legislation.....	32-105	schemes	19-050–19-070
Commonwealth pensions and		inter-entity loss duplication.....	19-070
payments	9-120	members' interests	18-010
Commonwealth scholarships		non-profit companies	21-530
foreign students	9-100	overview.....	18-000
Commonwealth taxation		partnership mutually	
powers	1-540–1-610	exclusive	16-030
Commonwealth Trade Learning		private company, definition.....	18-010
Scholarship	9-100	public company, definition	18-010
Community hospitals		public officer.....	18-010
exempt income.....	9-040	rates of tax	2-130; 34-025
Community service entities		reforms.....	18-000
exempt income.....	9-070	research and development	
Companies	18-010	deduction	21-940
assessments, deemed.....	30-440	residence	24-060
bad debts	11-460; 19-140	central management and control	
creation of losses	19-150	test	24-064
capital and other returns to		dual residence	24-090
shareholders	18-530–18-560	incorporation test.....	24-062
carry forward tax losses.....	19-000–19-040	voting power test	24-066
change of ownership of control.....	19-060	separate entity status	18-010
CGT relief for shares in		share buy-backs.....	18-550
active foreign companies	24-222	share capital and capital	
CGT roll-over relief		benefit streaming	
exchange of shares.....	8-240–8-250	anti-avoidance rules	18-565–18-590
classification under		share capital reductions	18-540
<i>Corporations Act</i>	18-010	shareholders — see	
consolidation regime	20-000–20-170	Shareholders	

Paragraph	Paragraph
Companies—continued	
tax accounting — see Tax accounting	
tax losses and franked distributions	19-250
converting excess franking offsets into tax losses	19-260
Henry Tax Review reform recommendations	19-280
restrictions on choosing the amount of tax losses to deduct in income year	19-270
tax offences	33-190
taxation of corporate distributions	18-200–18-207
key terms.....	18-206
taxation rules	18-100
former “classical system”	18-110
integrating corporate and shareholder tax.....	18-120
transfer of losses involving Australian branches of foreign banks	19-100–19-130
write-off of bad debts	11-460
Company directors — see Directors	
Compensation	
apportionment at common law	6-880
assessable income	4-140
assessable payments.....	6-800
cancellation of business contracts	6-810
cancellation of “structural” agreements	6-840
CGT	6-910
CGT exemption	7-715
claiming compensation from ATO	29-008
discounting for tax	6-900
distinguishing between income and capital compensation receipts	6-805
insurance or indemnity for loss of assessable income.....	6-870
interest component	5-210
loss of trading stock	6-820
loss of wages.....	6-860
ordinary income	3-250
permanent loss of fixed asset.....	6-840
personal injury damages	
interest on judgment debt	9-080
structured settlement payments	9-200
temporary disablement of income-producing assets	6-830
termination of agency and management contracts	6-850
Compliance costs	
evaluating tax policy	1-193
Complying superannuation funds	23-045; 23-500
Composers	
averaging of income	21-300–21-340
Compulsory acquisition	
CGT events	7-120
Computer software	
development pools	12-220
Concessional contributions	23-100
Concessional tracing rules	
companies owned by certain trusts	19-047
widely held companies and eligible Div 166 company	19-045
bad debts	19-148
Conditional contracts	
derivation of income.....	13-370
Conduit foreign income	24-218
Confidentiality	
— see also Secrecy	
ATO	29-040–29-060
Australian Business Register (ABR).....	32-380
public interest immunity	29-235
TFNs	32-370
Conservation covenants	11-740
CGT event	7-178
Consolidation regime	
budget changes	20-003
CGT events	7-490–7-498
international tax	24-900
modifications	20-005
same-asset roll-overs between group companies.....	8-320
taxation of consolidated groups — see Group companies	

	Paragraph		Paragraph
Constitution		Convertible notes	22-570
concept of "tax"	1-550	Copyright	
GST constitutional challenges	27-000	films, CGT exemption	7-710
prohibited discrimination between States	1-560	royalties	5-500
taxation powers	1-530-1-610	Core technology, deductible expenditure	21-950
Construction contracts, long-term		Corporate limited partnerships	
derivation of income.....	13-460	jurisdiction to tax.....	24-022
Consumption tax	1-000	residence test.....	24-072
Continuity of business test — see Same business test (SBT)		tax rules	21-720
Continuity of ownership (COT)		Corporate tax entities	
bad debts	19-140	companies — see Companies	
concessional tracing rules	19-045	corporate limited	
family and non-fixed trusts	19-047	partnerships	21-720
widely held and eligible Div 166 companies	19-045	corporate unit trusts	21-730
corporate carry forward losses	19-010	public trading trusts	21-740
change in ownership	19-040	Corporate unit trusts	21-730
Contracts		— see also Trusts	
cancellation	6-810	residence test	24-075
termination of agency contracts	6-850	Courts	
Contributions segment		— see also Federal Court of Australia	
tax free component of superannuation	23-470	review of Commissioner's	
Controlled foreign companies		discretions	1-510
accruals taxation	24-230-24-255	two main roles	1-340
attributable income	24-245	CPRS — see Proposed Carbon Pollution Reduction Scheme	
anti-avoidance provisions	24-258	CRAFT scheme	
consolidated group	20-140	exempt income	9-100
dividends	24-255	Credits — see Rebates	
shifting of profits	24-258	Criminal offences	33-250
attributable taxpayer	24-240	avoidance of tax	25-760; 25-765
attribution and foreign income taxes	24-250	Crown leases	
attribution of income	24-200	CGT replacement-asset roll-over	8-270
attribution percentage	24-248	Crystallised segment	
CGT relief for shares in active companies	24-222	tax free component of	
control test	24-235	superannuation	23-470
foreign hybrid loss exposure adjustment	7-488	Cultural bequests, gifts	11-720
gains on disposal of interest	24-257	Currency translation rules	
Convertible interests		taxable income	2-030
CGT rules	8-620	Current year losses	
		trusts	17-140
Customs duties		Customs	
		Constitutional provisions	1-570

Paragraph	Paragraph
D	
Damages — see Compensation	
Data matching	
tax file number system	32-300
De facto spouse, dependant	
rebate	2-560
Death benefits	
same sex couple	23-550
tables	34-300
taxation	23-550
Death of taxpayer	
transfer of trading stock	14-210
Debenture-holders' rights	18-010
Debt defeasance	5-275
CGT assets	7-510
Debt interests	
deductible returns	11-620
foreign exempt income	11-625
Debt securities	22-570
eligible securities	22-600
prescribed securities	22-580
qualifying securities	22-610
securities lending	
arrangements	22-630
special bonds	22-590
traditional securities.....	22-620
Debt waiver fringe benefits	26-430
calculating taxable value	26-440
definition	26-040
Debt/equity rules	22-010
— see also Equity interests	
debt interest.....	11-620; 11-625
distinction between interests	22-012;
22-015	
financing arrangement	22-015
non-equity shares	22-020
non-share equity interests.....	22-020
withholding tax	24-620
tax treatment of payments.....	22-020
Debt/equity swaps	
deductions	11-470
Debts	
bad debts — see Bad debts	
commercial debt forgiveness.....	11-460;
21-220; 22-660	
debt deductions	
thin capitalisation rules.....	24-860
trusts	17-140
loan fringe benefit	26-450
trusts	
debt deductions	17-140
Deceased estates	
CGT	8-500
asset passing to beneficiary.....	8-530
joint tenants	8-540
legal personal representative or	
beneficiary	8-520
main residence	8-060
eligible termination	
payments	23-540
GST adjustments	27-095
income accrued at death,	
received after death	17-240
income derived after death	17-250
taxation.....	17-230–17-260
trust income.....	17-260
Deceased taxpayers	
asset passing to tax-	
advantaged entity	7-455
Deductible gift recipients	11-695
Deductions	
apportionment	10-200
Australian film expenditure,	
pre-1 July 2007	21-900
bad debts	11-440–11-460
borrowing expenses	11-565
bribes made to public	
officials	10-585
business-related capital	
expenditure.....	12-300–12-330
capital allowances — see	
Capital allowances	
capital or capital nature.....	10-260–10-280
capital works	12-500–12-540
car expenses.....	10-475
car parking expenses.....	10-602
commercial debt forgiveness.....	11-460;
22-660	
company losses	
loss duplication schemes	19-050
conservation covenants	11-740
contributions to political	
parties/independent	
candidates.....	11-710
corporate bad debts	19-140

Paragraph	Paragraph
death or disability premiums	non-resident business losses, etc 24-570
financial institution RSA	partnership loss 16-210
provider 23-098	payments to associations 11-590
depreciating assets 12-130–12-250	payments to related entities 25-440
double deductions 11-012	pensions, etc paid to
“double dipping” 24-090	employees 11-585
election expenses 11-600	personal services entity 25-485
entertainment expenses 10-600	personal services income 25-490
environmental protection 21-970–21-990	pooled development funds 21-605
establishment of trees in	primary producers 21-150
carbon sink forests 12-400–12-440;	Farm Management Deposits 21-160
21-150	rates and land taxes 11-610
family maintenance	recovery of bad debts 11-460
payments 10-570	recreational club expenses 10-575
financial institution RSA	reimbursements 10-607
provider 23-098	related entities, reduced
fines and penalties 10-550	payments 10-565
foreign exempt income losses 11-625	relative's travel expenses 10-560
general deductions	repairs 11-020–11-080
negative limbs 10-250–10-330	research and development 21-920–21-960
overview 10-000	returns paid on debt interest 11-620
positive limbs 10-040–10-240	self-education expenses 10-440
gifts 11-680–11-740	specific deductions 11-000
anti-avoidance rule 11-730	substantiation of expenses 10-680
GST input tax credits,	business travel expenses 10-700
increasing adjustments 10-535	car expenses 10-695
home office expenses 10-430	work expenses 10-690
insurance premiums 10-450	written evidence and record-
interest expense 10-460	keeping 10-705
interest on late payment of	superannuation charges and
tax 30-560	levies 10-555
lease document expenses 11-562	superannuation contributions
leases 22-700	death benefit termination payments
leave payments and	table 34-325
provisions 10-540; 13-544	employer contributions 23-110
legal expenses 10-470	employer's financing costs 23-160
leisure facility and boat	employment termination payments
expenses 10-580	table 34-320
life insurance companies 21-410; 21-412	personal 23-120
loss by theft by employee 11-580	refund of deductible
loss from profit-making	contributions 23-110
undertaking or plan 11-575	superannuation funds 23-092
losses and outgoings — see	tax benefit 25-620
Losses or outgoings	tax losses of prior years 11-500–11-530
management expenses 10-480	tax planning
mining companies 21-200–21-245	accelerating deductions 25-950
mortgage discharge expenses 11-570	increasing deductions 25-930
non-cash business benefits 10-610	tax-related expenses 11-560
non-compulsory uniforms 10-605	

	Paragraph		Paragraph
Deductions—continued			
taxable income — general principle	2-030	capital protected borrowings	22-670
temporary investment allowance calculation	12-480	capital works	12-510
transport expenses between workplaces	11-635	CGT asset	7-500; 7-510
travel expenses accompanying relative	10-560	company	18-010
trust income	17-110	consideration	27-055
trust losses	17-130	construction expenditure	12-510
transfer	17-140	construction expenditure area	12-510
types	10-420–10-480	cost base	7-620
work in progress payments	11-630	cost price	26-410
Deemed assessments	30-440	current employee	26-150
Deemed dividends — see Dividends		current employer	26-140
Default assessments	30-450	debt waiver fringe benefit	26-040
Defence Force		debt/equity swap	11-470
exempt allowances	9-085	decision	31-150
overseas service rebate	2-710	dependant	2-560
Deferral of derivation of income	25-950	depreciating asset	12-130
Deferral of tax schemes	25-430	derivation	3-180
Deferred interest loans	26-450	derive	13-100
Deferred interest securities		discretionary trust	28-170
accruing obligations	13-541	dividends	5-000; 18-206
Defined benefit funds	23-040	dwelling	8-050
Definitions		eligible Division 166	
accrued leave transfer payment	10-540	company	19-045
adjusted taxable income	2-560	eligible venture capital	
aggregate R&D amount	21-945	investment	21-770
annual turnover	27-065	employee	23-810; 26-150; 28-340
annuity	5-000; 5-300	employer	23-810; 26-140
assessable income	3-000	enterprise	27-055
assessment	30-410	entertainment	10-600; 26-546
associate	5-475; 26-140	exempt income	17-150
associated person	18-520	exempt income (of	
Australia	24-030	partnership)	16-210
Australian entity	24-235	first home saver accounts	21-070
Australian resident	24-040	food	27-135
Australian superannuation fund	24-078	foreign earnings	24-210
benefit	26-110	foreign income	24-350
business	6-050	foreign service	24-210
business percentage	26-415	foreign superannuation fund	24-078
capital proceeds	7-605; 7-610	former employee	26-150

Paragraph	Paragraph
income from personal exertion	4-000
income from property	5-000
incurred	13-500
information	29-165
interest	5-000; 5-200; 24-610
international agreement	24-680
invoice	27-125
leisure facility	10-580
life insurance company	21-410
loan	26-450
majority underlying interests	8-852
medical expenses	2-650
mining operations	21-210
mutual insurance company	21-440
net income (of partnership)	16-210
non-deductible exempt entertainment expenditure	26-546
non-profit company	21-530
non-resident	24-040
non-resident superannuation fund	24-078
normal taxable income	2-690
operating costs	26-415
ordinary income	3-000
owner	28-110
partnership	16-030
partnership loss	16-210
permanent establishment	24-020
personal services income	25-465
pool of construction expenditure	12-510
pre-CGT asset	8-852
precious metals	27-135
prescribed non-resident	2-120
primary production business	21-110
private company	18-010
property	7-510; 24-680; 26-550
provide	26-130
public authorities	9-035
public company	18-010
R&D expenditure	21-950
rebate income	2-750
recipient's payment	26-410
recoupment	3-420
recreational club	10-575
registered organisation	21-540
rehabilitation	21-245
reimbursement agreement	17-320
related entity	10-565
relative	25-440
rent	5-000; 5-410
repair	11-030
reside	24-052
resident	24-052
companies	24-060–24-066
individuals	24-050–24-059
resident of Australia	24-040
resident trust estate	24-074
resident unit trust	24-076
residential premises	27-145
royalty	5-000; 5-500
salary or wages	26-140
scheme	25-615
self-assessment	30-470
self managed superannuation fund	23-045
shareholder	18-206
shortfall statement	33-068
special professional	21-310
special trust	28-170
statutory income	3-000
structured settlement	9-200
subsidiary member	20-020
superannuation benefits	23-110
superannuation fund	23-040
supply	27-055
tax	1-000; 1-550
tax audit	29-250
tax avoidance agreement	25-425
taxable purpose	12-120
taxable wages	28-310
taxpayer	25-605
temporary resident	9-015; 24-214
termination payment	23-895
trading stock	14-020–14-050
trust	17-010
trust estate	17-050
trustee	17-050; 17-230
ultimate owner	8-852
vouchers	27-175
wages	28-320
widely held company	19-045
windfall	3-210
withholding tax	24-600
your construction expenditure	12-510

Paragraph	Paragraph
Demergers tax relief	
CGT roll-over relief	8-298
demerger benefits.....	18-590
Demutualisations	
friendly societies	21-440
mutual insurance companies.....	21-440
mutual non-insurance organisations.....	21-440
Departing Australia	
superannuation payments	23-047;
	23-580
Departure from Australia	
departure prohibition orders.....	32-150
payment of tax	32-000
Dependants	
definition	2-650
pensions paid by employer	11-585
rebate	2-560
medical expenses.....	2-650
sole parent (notional)	2-620
Deposits	
derivation of income.....	13-335
forfeiture	7-355
Depreciating assets	12-130
balancing adjustment event.....	7-475;
	12-250
separate CGT assets	7-540
balancing adjustment roll- over relief.....	12-270
CGT exempt assets.....	7-710
CGT replacement-asset roll- over	8-280
contribution to partnership	16-110
deduction for decline in value	
calculation example	12-190
car depreciation limit.....	12-250
choice of calculation methods.....	12-150
cost of depreciating asset.....	12-170
diminishing value or prime cost method.....	12-160
effective life of asset	12-180
immediate deduction for low cost assets	12-200
low-value pools.....	12-210
software development pools	12-220
definition	12-130
"double dipping"	24-090
effective life of asset.....	12-180
exploration or prospecting immediate deduction	21-215
holder of depreciating assets	12-140
leased plant, disposal.....	22-710
low cost assets immediate deduction	12-200
low-value pools	12-210
partnership change.....	16-440
primary producers	21-150
quasi-ownership rights	12-140
R&D plant	21-950
realisation at profit	6-530
substantiation of expenses	10-690
uniform capital allowance system	12-100
asset used for "taxable purpose" ..	12-120
deducting amounts	12-110
Depreciation — see Depreciating assets	
Derivation	
ordinary income	3-180–3-195
Derivation of income	
accrual basis of accounting	13-300–13-380
cash-basis accounting	13-200–13-240
long-term construction contracts	13-460
rent	13-410
salary or wages	13-400
tax accounting	13-020; 13-100–13-120
Desk audits	29-255
Direct taxes	1-000
Directors	18-010
PAYG withholding, personal liability	32-445
Disability services payments	9-140
Disabled persons	
GST-free cars	27-135
Discount capital gains	
12-month holding period	7-925
CGT events	7-920
listed investment companies	7-935
net capital gain/loss for income year	7-915–7-935
trusts	7-930
Discounted debts	
accruing interest liability	13-541

	Paragraph		Paragraph
Discounts		Documents	
compensation payments for tax	6-900	Commissioner's access	29-160–29-180
debt securities	22-570	freedom of information reform.....	31-055–31-130
derivation of income.....	13-325		
employee share acquisition schemes	8-625		
loan discounts	5-215		
trading stock.....	14-095		
Discretionary trusts	17-040		
— see also Non-fixed trusts			
deemed present entitlement	17-305		
default vesting clause	17-090		
definition	28-170		
Disposal of assets — see Capital gains tax			
Disposal of trading stock — see Trading stock			
Dispute resolution		Double taxation relief	
— see also Appeals		branch profits.....	24-215
alternative dispute resolution	31-545	foreign branch income.....	24-216
appeal process	31-000	foreign service	24-210–24-213
preliminary conferences and directions hearings.....	31-545	intercorporate non-portfolio dividends	24-220
Dividend stripping rule	18-428	temporary residents	24-214
tax benefit	25-620		
Dividends		Double wool clips	21-135
assessable income	18-205		
bonus shares, CGT rules	8-610	Dual resident investment company	
CFC rules	24-255	grouping losses	24-090
definition	5-000; 18-206	Dual residents	24-080; 24-090
demergers	8-298	Dwelling — see Main residence	
derivation of income.....	13-420		
distribution.....	18-010	E	
franking — see Imputation system		E-commerce	
liquidation distributions	18-560	tax evasion	25-102
non-share dividends	18-205–18-207		
"out of profits"	18-206	Education expenses	
"paid"	18-206	GST-free	27-135
PDF shareholders	21-610	self-education	10-440
private companies' deemed dividends	18-500–18-520	Education tax offset	2-580
scope of sec 44(1)	18-207		
source of income.....	24-150	Educational allowances	
venture capital franking credits.....	21-620	exempt income	9-100
withholding tax	24-620	Elections	
		car fringe benefits	
		taxable value	26-405
		family trusts	17-140; 18-420
		partnerships	
		contributed trading stock	16-100
		taxable income	16-230
		trading stock	16-100
		primary producers	
		averaging of income	21-130
		self-assessment system	30-570

Paragraph	Paragraph
Electronic record-keeping 29-114	Employer associations
Eligible Division 166 company	exempt income 9-060
concessional tracing rules 19-045	
Eligible termination payments	Employers
exempt capital gain or loss 7-710	entertainment expenses 10-600
exempt resident foreign	fringe benefits — see Fringe
termination payment 24-212	benefits tax
"golden handshake" 23-895	pay-roll tax
income accrued at death 17-240	registration requirements 28-363
Employee associations	pensions paid to employees
exempt income 9-060; 21-540	or dependants 11-585
Employee share acquisition schemes	superannuation
acquisition of share or right 4-470	contributions — see Superannuation
assessable income 4-400—4-440	contributions
CGT rules 8-625	taxation of employee share schemes 4-400
pay-roll tax 28-362	
role of associate 4-470	
Employees	Endorsement rules 11-695
accounting methods 13-120	Entertainment expenses 10-600
alienation of the personal	election expenditure 11-600
services income 4-080	Entertainment industry expenses .. 10-600
allowances, benefits, etc 4-140—4-170	
bonus payments 13-545	Entities
car expenses, reimbursement 10-607	deductible "reasonable amounts" 25-440
contractors or employees	excessive payments 25-440
pay-roll tax 28-340; 28-350; 28-362	Entrepreneurs' tax offset 2-590
foreign service income 24-028	small business entities and concessions 15-600
fringe benefits — see Fringe	
benefits	Environmental protection 21-970
inducement payments 4-060	concessions for environmental protection activities 21-980
personal superannuation contributions	environmentally related taxes or measures 21-990
Government co-contributions 23-150	
reimbursement of car	Environmental protection activities
expenses 4-190	geological sequestration expenditure 21-230
relative's travel expenses 10-560	mining companies 21-230
restrictive covenants 4-060	
return to work payments 4-200	Equity interests
salary sacrifice arrangements 4-070	— see also Debt/equity rules
fringe benefits 26-360	direct value shifting 8-805
share schemes 4-400—4-440	CGT 7-480
substantiation of work	
expenses 10-690	Establishment of trees in carbon sink forests 12-400; 12-420
termination of	deductions 12-440; 21-150
employment — see Eligible	
termination payments	

	Paragraph		Paragraph
Estoppel		miscellaneous payments	9-140
recovery of tax	32-125	mutuality principle	
ETPs — see Eligible termination payments		limits.....	9-255
Evasion of tax — see Tax evasion		mutual receipts.....	9-250
Everett assignments		statutory provisions	9-260
partnership income	16-460–16-490	non-assessable income	3-100
Evidence		non-profit societies,	
admissibility of unstamped instruments	28-590	associations and clubs	9-070
Australian Business Register (ABR)	32-380	ordinary or statutory income	3-100;
Commissioner's power to require	29-170		9-075
legal professional privilege	29-205–29-235	pensions and benefits	9-120
notice of assessment	30-467	public authorities	9-035
substantiation of expenses	10-705	public educational institutions	9-040
suspect transaction report	32-240	religious institutions	9-040
Excess contributions tax	23-125	scientific institutions	9-040
Exchangeable interests	8-630	structured settlement payments	9-200
Excise duties		superannuation funds	
Constitutional provisions	1-570	segregated current pension income	23-080
Exempt entities	9-030–9-073	tax planning	25-920
franked distributions	18-435	trade unions	9-060
Exempt income	9-020	trust estate	17-150
categories	9-025	Exemptions	
charitable institutions	9-030	CGT	7-700–7-720
derived by certain entities	9-085	fringe benefits	26-110
educational allowances	9-100	land tax	28-130
employer or employee associations	9-060	Expenditure recoupment schemes	25-435
exempt entities	9-030–9-073	Expense payment fringe benefits	26-500
family assistance payments	2-250	calculating taxable value	26-505
foreign earnings	24-210	Exploration or prospecting expenditure — see Mining companies	
foreign service income	24-210–24-215	Exports, GST-free supplies	27-135
foreign superannuation funds	23-097; 24-078	Extensions of time	
hospitals	9-050	Administrative Appeals	
interest on personal injury judgment debt	9-080	Tribunal review application	31-530
life insurance companies	21-413	amendment of assessments	30-640
local government	9-035	lodgment of objection	31-355
loss or outgoing	10-320	PAYG instalment	32-495
maintenance	9-090	payment of tax	32-000; 32-100
medical, health and hospital benefits organisations	9-050	F	
mining	21-250	Factor taxes	1-000
Family assistance		False or misleading statements	33-150

Paragraph	Paragraph
Family companies	
income splitting.....	25-970
Family Court	
transfer from Federal Court	31-523
Family maintenance payments	
— see also Maintenance payments	
deductibility	10-570
Family Tax Benefit	
eligibility.....	2-250
Family trusts	
concessional tracing rules	19-047
distribution tax	17-319
income splitting.....	25-970
losses.....	17-140
qualified person rule.....	18-420
Farm household support payments	
CGT exemption	7-715
exempt income.....	9-140
Farm Management Deposits	21-160
income accrued at death	17-240
FBT — see Fringe benefits tax	
Federal Court of Australia	
— see also Courts	
appeals	
alternative appeal paths...31-500–31-530	
initial appeal direct.....	31-522
questions of law from	
AAT.....	31-600–31-605
to Full Federal Court or High	
Court.....	31-620
transfer to Family Court.....	31-522
judicial review.....	31-150–31-185
Federal Magistrates Court	
transfer from Federal Court	31-523
Fees	
appeals and reviews	31-500
FHSA misuse tax	21-080
FHSA trust	21-080
FIFs — see Foreign investment funds	
Film copyright	
CGT exemption	7-710
Films, Australian	
deductions for capital	
expenditure, pre-1 July 2007	21-900
exempt entities	9-030
	tax offsets for production expenditure, from 1 July 2007
	21-910
Finance companies	
accruing interest and	
discount expense obligations.....	13-541
realisation of assets	6-530
Financial arrangements	22-000
asset financing	22-760
capital protected borrowings	22-670
debt and equity rules.....	22-010
debt securities	22-570
foreign currency translation	
rules	22-240
leasing transactions	22-700
tax-timing regime.....	22-800; 22-810
accruals and realisation methods....	22-840
assessability of gains and deductiblity of losses	22-820
balancing adjustment method.....	22-890
fair value method.....	22-850
foreign exchange retranslation	
method.....	22-860
hedging financial arrangement	
method.....	22-870
PAYG amendments.....	22-895
pending amendments and future	
reforms	22-900
reliance on financial reports	
method.....	22-880
tax-timing methods	22-830
Financial institutions, RSA provider	23-098
Financial instruments	
debt securities	22-570
Financial services	
GST input taxed supplies	27-145
Financial transaction reports	
administrative provisions	32-270
exempt reporting obligations	32-230
International Currency	
Transfer Reports	32-230
offences	32-250
reporting obligations.....	32-230
suspect transactions.....	32-240
verification procedures	32-260
Financial year — see Income year	

	Paragraph		Paragraph
Firearms surrender arrangements			
CGT exemption	7-715	short term forex realisation	
First child tax offset	2-600	gains and losses.....	7-487
First home owners scheme		Foreign currency translation rules	
TFNs	32-335	application of new rules.....	22-240
First home saver accounts		functional currency rules	22-280
(FHSAs).....	21-070	general translation rule.....	22-260
taxation.....	21-080		
Fixed term or life annuities	5-300	Foreign exempt incomes	
Fixed trusts	17-040	deductible loss	11-625
losses.....	17-140		
Food		Foreign income	
GST-free supply	27-135	accruals taxation.....	24-225–24-318
GST taxed supply.....	27-145	bad debts of moneylender	
Foreign branch capital gains	24-217	from foreign branch	11-460
Foreign branch income	24-216	branch profits.....	24-215
Foreign branch profits	24-215	conduit foreign income	24-218
Foreign currency exchange gains		double taxation relief	24-210–24-220
and losses		foreign branch capital gains.....	24-217
application of general		foreign branch income.....	24-216
provisions	22-340	foreign income tax offset	24-320–24-380
eligible contract	22-360	foreign losses	
forex realisation events		quarantining	24-470
application to currency and fungible		foreign service income	24-210
events	22-495	employment income	24-210
ceasing to have obligation to pay		exemption with progression	24-213
foreign currency	22-460	termination payments	24-212
ceasing to have obligation to receive		fringe benefits tax	24-028
foreign currency	22-440	international tax, overview	24-000
ceasing to have right to pay foreign		jurisdiction to tax	24-020–24-030
currency	22-480	multinational concessions	
ceasing to have right to receive		and incentives	24-900
foreign currency	22-420	partnerships	24-022
disposal of foreign currency.....	22-400	residence of companies	24-060–24-066
facility agreements roll-over		residence of individuals	24-050–24-059
relief.....	22-520	residents.....	24-200
multiple events	22-490	taxation	24-550–24-580
“qualifying forex accounts”	22-540;	triangular taxation and unfranked	
22-560		dividend payments	24-625
short-term rules	22-500	superannuation entities	24-026
forex regime	22-380	temporary residents	9-015
nature	22-320	individuals	24-059
pre-forex regimes	22-330–22-340	non-assessable non-exempt	
regimes	22-300	income	24-214
retranslation method	22-565	trusts	24-024
roll-over relief for facility			
agreements	22-520	Foreign income accruals taxation	24-225
		CFC rules	24-230–24-255
		former FIF rules	24-285–24-310
		transferor trusts	24-260–24-280
		Foreign income payments	
		consolidated group	20-130

	Paragraph		Paragraph	
Foreign income tax offsets				
(FITO)	24-320		venture capital investments	23-097
— see also Tax offsets				
attributable income	24-250		Forestry roads	
attributable taxpayers under			capital expenditure	21-150
accruals rules	24-350		Forex regime	22-380
background	24-200		realisation events	22-400–22-500
calculation	24-380		roll-over relief for facility	
eligible foreign income taxes	24-360		agreements	22-520
entitlement	24-330			
imputation	18-130		Forfeited deposits	
partnerships	16-300		CGT events	7-355
residence of taxpayer	24-340		Franking of dividends — see	
tax benefit	25-620		Imputation system	
treatment as paid	24-370			
Foreign investment funds			Fraud	
anti-roll-up rule	24-310		amendment of assessments	30-620
background	24-200		Freedom of Information Act	
beneficiary's interest in non-			aims of legislation	31-050
resident trust estate	24-318		exempt documents and	
consequential amendments	24-305		information	31-080
consolidated group	20-140		freedom of information	
former rules	24-285		reform	31-055
main provisions	24-300		impact	31-130
policy basis for appeal	24-295		“Public Interest” test for	
repeal of rules	24-290		conditionally exempt	
Foreign losses			documents	31-090
quarantining	24-470		publication and access	31-065
Foreign non-portfolio dividend			publication of documents	
exemption	24-220		and information	31-060
Foreign residents			restrictions on publication	31-070
— see also Non-residents				
assessment	24-560		Friendly societies	
business profits	24-570		life insurance business	21-540
collection of tax	24-580		Fringe benefits	
services income	24-575		assessable income	3-090; 4-110
CGT	24-120		categories	26-040
asset passing to beneficiary	7-455		definition	26-100–26-170; 28-330
becoming Australian resident	8-730		pay-roll tax	28-330
capital gain or loss	8-710		recording reportable amounts	26-350
necessary connection with			salary sacrifice arrangements	26-360
Australia	8-720			
rules	8-700			
taxable Australian property	8-720			
Foreign superannuation funds			Fringe benefits tax	
definition	24-078		airline transport benefits	26-530; 26-535
jurisdiction to tax	24-026		“benefit”	26-110
residence test	24-078		benefits provided	
taxation	23-097		by employer, associate, etc	26-140

Paragraph		Paragraph
debt waiver fringe benefits	26-430;	G
	26-440	
employer's liability	26-300	Gambling
alternative method for calculating.....	26-303	GST
rebate for non-profit employers....	26-310	winnings or losses
exclusions.....	26-170	General interest charge
exempt benefits.....	26-110; 26-170	late payment penalties.....
expense payment benefits ...	26-500; 26-505	underpayments of tax.....
foreign employment income.....	24-210	unpaid tax.....
fringe benefits — see Fringe benefits		
GST	26-300	Geological sequestration expenditure
Henry Tax Review FBT		environmental protection activities
exemption.....	26-180	21-230
housing benefits	26-510; 26-515	GIC — see General interest charge
jurisdiction to tax.....	24-028	Gifts
living-away-from-home		deductions
allowance benefit	26-520; 26-525	11-680
loan fringe benefit.....	26-450; 26-455	anti-avoidance rule.....
meal entertainment benefits	26-542;	11-730
	26-544	contributions to fund-raising
overview.....	26-000	events
pay-roll tax	28-362	11-690
property benefits	26-550; 26-555	nature of gift.....
rebate for non-profit		11-685
employers	26-310	testamentary gifts under Cultural
reconciliation rules	26-170	Bequests Program.....
assessable income	4-170	11-720
GST law	26-340	to deductible gift recipients
income tax law.....	26-330	11-695
PAYG payment summaries.....	26-350	pay-roll tax
superannuation law.....	26-335	28-362
remote area housing benefits	26-510	trading stock
residual benefits	26-650; 26-660	14-270
structure of legislation	26-040	
tax-exempt body		Going concerns
entertainment benefit	26-546; 26-547	GST free supply
taxable value of fringe		27-135
benefits.....	26-200–26-250	Gold mining — see Mining companies
"otherwise deductible" rule	26-220	
recipient's contributions	26-210	Goods and services
reductions.....	26-250	expenses "incurred"
Fulbright Scholarships	9-100	accrued liability
Fund-raising events		prepayments
deductible contributions	11-690	year of income.....
		Goods and Services Tax — see GST
		Government grants of land, GST-free supply
		27-135
		Grapevines
		capital expenditure
		21-150
		Gratuitous payments
		4-040–4-046
		party to services relationship
		4-043
		third party
		4-046
		Group certificates — see PAYG payment summaries

Paragraph	Paragraph
Group companies	
CGT roll-over relief	
company ceasing to be member after roll-over	7-405
same asset roll-over	8-320
transfer of assets by individuals or trusts.....	8-110
transfer of assets by partners.....	8-120
transfer of assets to wholly-owned company.....	8-105–8-120
consolidation regime	20-000
attribution and attributed tax accounts	20-140
Board of Taxation post	
implementation review.....	20-170
budget changes	20-003
choice to consolidate	20-010
core rules	20-035–20-060
cost setting rules: interests of departing subsidiary	20-090
cost setting rules: joining entity's assets	20-070
entities joining a group.....	20-050
entry/exist history rule	20-060
foreign income payments	20-130
forming groups.....	20-010–20-030
franking account.....	20-120
income tax liability.....	20-150
MEC group.....	20-030
members of group.....	20-020
modifications	20-005
pre-CGT status of interests	20-100
single entity rule.....	20-040
transfer of losses	20-110; 20-115
transitional cost setting rules	20-080
GST	27-155
leased plant, disposal	22-710
thin capitalisation rules	24-860
Group employers	
pay-roll tax	28-360
GST	
accounting for	27-125
small food retailers.....	27-125
adjustments	27-095
administration	27-185–27-198
annual turnover threshold	
registration	27-065
anti-avoidance provisions	25-750; 27-196
assessments	27-187
objection and review	27-192
ATO investigation powers	27-194
capital proceeds.....	7-607
CGT cost base	7-622
charging GST	27-075
civil penalties	33-095
Commonwealth/State tax	
relations.....	1-122
compliance costs	27-185
constitutional challenges	27-000
creditable acquisitions and	
input tax credits	27-085
deductions	
increasing adjustments.....	10-535
input tax credits	10-535
depreciating assets	
low-value pools.....	12-210
foreign currency conversions.....	27-075
fringe benefits tax	
liability.....	26-300
reconciliation	26-340
groups, branches and joint ventures	27-155
GST base.....	27-055
GST-free supplies.....	27-135
GST Line	29-267
implicit interest component	
of instalment payments.....	5-260
importation of goods	27-165
input taxed supplies	27-145
interaction between GST and	
assessable income	3-120
managing business cash flows.....	27-115
margin scheme	27-075
no GST payable.....	27-133
offences and penalties	27-198
overview	27-000
overview of operation	27-045
partnerships	16-200
pay-roll tax	28-362
personal services income,	
attribution	25-470
Proposed Carbon Pollution Reduction Scheme (CPRS)	21-990
real estate margin scheme.....	27-100
recovery	27-189
registration	27-065
remittance	27-115
returns	27-187

Paragraph	Paragraph	
civil penalties.....33-095		
Rulings.....27-190		
security deposits.....27-055; 27-095		
stamp duty.....28-500		
tax audits	27-194	
tax invoices	27-125	
tax planning.....25-990; 27-199		
taxable income — general		
principle.....2-030		
taxable supply	27-055	
vouchers.....27-175		
H		
Hardship relief		
payment of tax	32-102	
Health benefits organisations		
exempt income.....9-050		
Health goods and services, GST-free27-135		
HECS — see Higher Education Loan Programme (HELP)		
Hedging financial arrangements22-830		
Henry Tax Review1-110; 1-180; 1-190; 1-250; 15-000; 18-420; 25-450; 26-000; 29-010		
FBT exemption	26-180	
reform recommendations.....1-250; 19-280		
High Court		
constitutional decisions	1-580	
special leave to appeal	31-620	
Higher Education Loan Programme (HELP)2-400		
deductible payments	10-440	
TFNs	32-335	
HIH Claims Support Trust	9-030	
Hire purchase arrangements22-720		
holder of depreciating assets	12-140	
Holiday pay		
pay-roll tax	28-362	
Home office expenses	10-430	
Horticultural plants		
primary producers	21-150	
Hospital benefits organisations		
exempt income.....9-050		
Hospitals		
exempt income.....9-050		
Housekeepers, rebate2-630		
	Housing fringe benefits26-510	
	calculating taxable value	26-515
	living-away-from-home	
	allowance	26-525
	remote area	26-510
	I	
	Illegal receipts3-270; 10-160	
	Importation of goods	
	GST	27-095; 27-165
	Improvements11-070	
	holder of depreciating assets	12-140
	pre-CGT assets.....34-230	
	Imputation system	
	benchmark franking	
	percentage	18-350
	co-operatives	21-420
	corporate and member tax	
	rules	18-130
	dividend withholding tax.....24-620	
	excess franking credit refunds.....18-130	
	exempting entities and	
	former exempting entities.....18-435	
	trans-Tasman (triangular)	
	imputation	18-435
	frankable distribution	18-340
	franked and unfranked	
	distributions	18-340
	franked distributions	
	converting excess franking offsets	
	into tax losses	19-260
	franking accounts	18-370
	consolidated group.....20-120	
	example of basic entries	18-387
	former/new systems	18-330
	overview	18-130
	franking credits.....18-340	
	allocating	18-340
	former/new systems	18-330
	franking credit entries.....18-380	
	overview	18-330
	partnerships.....16-300	
	tax benefit	25-620
	franking debit entries.....18-385	
	franking deficits tax	18-380
	franking distribution	
	statements	18-340
	franking distributions	18-340
	former/near systems	18-330

Paragraph	Paragraph
Imputation system—continued	
franking entity	18-340
franking period	18-350
franking years	18-330
gross-up and credit	
mechanism	18-130
receipt of franked distributions ...	18-390
residence requirements.....	18-400
international distributions	
trans-Tasman (triangular)	
imputation	18-492
life insurance companies.....	21-415
liquidation distributions	18-560
overview.....	18-130; 18-330
pooled development funds.....	21-605
venture capital credit	21-620
receipt of franked	
distributions	18-389
adjustments	18-405; 18-410
anti-streaming rules.....	18-425
direct distributions	18-390
dividend stripping rule	18-428
exempt institutions and	
superannuation entities.....	18-410
imputation benefit rule.....	18-422
indirect distributions	18-394
manipulation	18-415
qualified person rule	18-420
residence requirements.....	18-400
simplified rules	
former and new systems	18-330
overview	18-330
Income arrears rebate	2-690
Income equalization deposits	21-160
Income from a trust estate	17-110
differences between "net	
income" and "income of the	
trust estate"	17-115
exempt income.....	17-150
"net income" for tax law	
purposes and trust law	
"income"	17-270–17-290
penalties for false statements	
about	17-220
restrictions on transfer of	
trust losses	17-140
taxation rules	17-200
trust losses	17-130
Income from business	6-000
— see also Business; Profits	
agreements for sale of know-	
how, etc	6-560
assessable income	6-400–6-750
bounties and subsidies.....	6-750
commencement of business	6-250
compensation payments	6-800–6-910
identifying business	6-010–6-150
art businesses	6-100
business indicators	6-050
commercial character of	
transactions	6-100
other matters	6-130
profit motive	6-090
property, characteristics and	
quantities	6-110
scale of activities	6-070
sustained, regular and frequent	
transactions	6-080
system and organisation	6-060
turning talent to account for	
profit.....	6-085
weighing up factors	6-150
non-cash business benefits	6-480
non-resident	24-570
normal proceeds	
application of principle	6-500–6-750
calculating assessable amount	6-435
common law principle	6-410; 6-420
"extraordinary"	
transactions	6-440–6-455
isolated or "one-off" transactions ..	6-430;
	6-435
lease incentives	6-448
realisation of investments....	6-510–6-530
statutory expansion.....	6-480–6-490
ordinary income	3-210
profit-making undertakings	
or plans.....	6-490
property acquired for resale	
at profit	6-485
termination of business	6-280
Income from personal exertion	
alienation of the personal	
services income of employees	4-080
employee share schemes	4-400–4-440
employment and services-	
related allowances	4-110–4-170
ordinary income	3-210; 4-000

Paragraph	Paragraph
gratuitous payments 4-040–4-046	Indefeasible interest
provision of services or disposal of capital asset 4-050	beneficiary
salary sacrifice arrangements 4-070	deemed present entitlement 17-305
statement of principles 4-020	Indemnity payments 6-870
surrender of valuable rights 4-060	Indexation
overview 4-000	capital gains and losses
reimbursement of car expenses 4-190	indexed cost base 7-690–7-698
statutory income 4-000; 4-100 allowances 4-110–4-170	tax offsets and rebates 2-500
allowances 4-110–4-170	Indirect taxes 1-000
termination payments 4-700	Individuals
death benefit 4-780	alienation of personal services
employment 4-740	income 25-480
genuine redundancy and early retirement scheme 4-800	personal tax offsets and rebates 34-165
life benefit 4-750	residence 24-050
life benefit, taxation 4-755	183-day rule 24-056
transitional 4-760	domicile test 24-054
unused annual and long service leave 4-820	dual residence 24-090
Income from property	ordinary concepts 24-052
annuities 5-300–5-380	rates of tax 34-000
assignment of right to receive 5-600	superannuation test 24-058
car lease profit 5-475	temporary residents 24-059
definition 5-000	tax audit 29-255
dividends 18-000	transfer of assets to wholly-owned company 8-110
interest 5-200–5-275	Inducement payments 4-060
lease and rental income 5-400–5-475	Industrial property — see Intellectual property
overview 5-000	Information
royalties 5-500–5-540	— see also Access to information
Income-producing buildings	Commissioner's powers to obtain 29-130–29-180
capital works 12-500	confidentiality 29-040–29-060
repairs — see Repairs	taxpayer's right to access 31-050–31-230
Income splitting 25-960; 25-970	freedom of information 31-050–31-130
partnerships 16-320	Infrastructure financing
Income streams	Exposure Draft Bill 22-760
termination of employment, tables 34-290	Infrastructures, expenditure
Income year 2-000; 2-020; 13-025	mining companies 21-220
adjusted fringe benefits total 2-050	Instalment sales arrangements
Medicare levy 2-300	cash-basis accounting 13-240
substituted income years 13-030	distinguishing annuities
tax rates 2-100; 2-120; 2-200	payments 5-380
total net investment losses 2-050	interest component 5-260

	Paragraph		Paragraph
Institutions		International Funds Transfer	
exempt income.....	9-040	Instruction Reports	32-230
Insurance companies		International mail	
accruing claims liability	13-542	GST-free supply	27-135
demutualisations — see		International tax	
Demutualisations		— see also Jurisdiction to tax	
realisation of investments	6-520	double tax agreements.....	24-010
Insurance policies, CGT exemption ..	8-080	dual residents	24-080–24-090
Insurance premiums,		foreign source income of	
deductibility	10-450	residents	24-200
Intangible assets		jurisdiction to tax.....	24-010–24-030
depreciating assets.....	12-130	multinational concessions	
Intellectual property		and incentives	24-900
royalties	5-500; 24-160	overview.....	24-000
source of income.....	24-120	reform proposals.....	24-950
Interest		residence	24-040–24-090
— see also Loans		source of income.....	24-100–24-170
assessable income	5-200–5-275	thin capitalisation	24-860
assignment in partnership	16-480	Interposed entities	
compensation payments	5-210	alienation of personal services	
debt defeasance arrangements.....	5-275	income.....	25-455
debt securities	22-570	attribution of personal services	
deferred interest loans	26-450	income	25-470
definition	5-000; 5-200; 24-610	exchange of shares	8-250
derivation of income.....	13-430	Invalid relatives	
discounts and premiums.....	5-215	dependant rebate	2-560
early payments of tax.....	32-110	Inventors	
instalment sale arrangement	5-260	averaging of income	21-300–21-340
"interest-only" and		Investigations	
"blended-payment" debts	5-200	ATO audit	
loans to fund superannuation		GST	29-268
contributions	23-160	large business and international	
overpayments of tax	32-110	group	29-265
personal injury judgment		role	29-245; 29-250
debt	9-080	serious non-compliance and	
self-assessment	30-560	prosecutions	29-267
source of income.....	24-140	small business audit	29-260
withholding tax	24-610	targeting activity	29-270
Interest expenses		Commissioner's access and	
accruing obligations	13-541	information gathering	
capital expenditure.....	10-460	powers	29-130–29-270
deductibility	10-460	GST	27-194
refinancing principle	10-460	Ombudsman	31-210–31-230
International agreements — see		Personal Tax Group	29-255
Double taxation agreements		publication and access	31-065
International Currency Transfer		search warrants.....	29-190
Reports	32-230	Investments	
		CGT	8-600

	Paragraph		Paragraph
bonus shares and units	8-610	Land transport offset	2-770
convertible interests.....	8-620	Landcare	
employee share schemes	8-625	deductible expenditure.....	21-150
rights.....	8-615	Large business and international group	29-265
interest on borrowings — see Interest		Late lodgment penalties	
realisation by insurers.....	6-520	self-assessment	33-090
realisation of assets by bankers	6-510	Late payment, penalties	
realisation of assets by other businesses	6-530	general interest charge	33-040
Investors, TFNs	32-330	PAYG instalment system.....	32-500
J		recovery of tax	32-110
Joint ownership, land tax	28-160	remission of GIC.....	33-040
Joint tenants		Laundry expenses, substantiation ..	10-690
CGT assets.....	7-515	Lease assignments	22-710
deceased estates.....	8-540	Leases	
Joint ventures		CGT	
GST groups.....	27-155	acquisition of reversionary interest by lessee	8-650
Judicial review — see Review		cost base rules	8-650
Jurisdiction to tax		CGT events	7-250
— see also International tax		capital proceeds	7-615
“Australia” defined	24-030	changing lease	7-265–7-275
non-residents	24-550–24-580	expiry, etc of lease.....	7-150
residence	24-040–24-090	granting lease	7-255
source of income.....	24-100–24-170	granting long-term lease.....	7-260
K		CGT exemption	7-715
Know-how		holder of depreciating asset	12-140
agreements for sale	6-560	lease document expenses.....	11-562
source of income.....	24-160	lease incentive payments	6-448
L		motor vehicles	
Land		car fringe benefits	26-410
CGT separate assets.....	7-540	luxury cars	5-475
Land tax	28-100	profit on sale.....	5-475
calculations	28-120	payment for non-compliance	
deductions	11-610	with covenant to repair	5-460
exempt land	28-130	premiums.....	5-420
joint owners of land.....	28-160	CGT impact	5-420
liability	28-110	rental income	5-400
objections and appeals	28-180	identifying payments	5-410
rates of tax	28-150	surrender receipts.....	5-440
returns, assessment and liability.....	28-175	Leasing transactions	22-700
special trusts	28-170	assignments	22-710
taxable value	28-140	hire purchase arrangements	22-720
		infrastructure financing, Exposure Draft Bill.....	22-760
		leveraged leasing	22-740

Paragraph	Paragraph
Leasing transactions—continued	
limited recourse finance arrangements	22-730
non-leveraged finance leases	22-750
special rules.....	22-705
Leave payments and provisions	
deductibility	10-540
Legal expenses	10-470
Legal personal representative	
deceased estate, CGT rules	8-520
Legal professional privilege	
Commissioner's access and information gathering powers	29-210–29-235
common law privilege.....	29-205–29-215
statutory privilege ("client legal privilege").....	29-220
Legal system	
ATO practice	1-490–1-520
sources and principles.....	1-310–1-520
statute law	1-330
taxation regulations, role	1-520
two main roles of courts	1-340
Legislative instruments	
foreign employment income.....	24-210
Leisure facilities	10-580
Leveraged leases	22-740
Levies	
calculation of tax payable	2-020
example	2-040
Life assurance policies — see Life insurance policies	
Life insurance companies	21-080
assessable income	21-411
complying superannuation/ FHSAs class of taxable income	21-410
deductions	21-412
definition	21-410
friendly societies	21-540
imputation rules	21-415
non-assessable income	21-413
RSA provider	21-410
segregated exempt assets	8-080
tax regime.....	21-400
taxable income	21-410
virtual PST assets	8-080
virtual PST component	21-410
Life insurance policies	
bonuses, rebate	2-760
CGT exemption	8-080
Life insurance, RSA providers	
taxation.....	23-098
Limited partnerships — see Corporate limited partnerships	
Limited recourse finance	
arrangements	22-730
Liquidators	
capital gains and losses	7-985
worthless shares	7-315
distributions	18-560
Listed investment companies	
discount CGT	7-935
Listed public companies	
benchmark franking percentage	18-350
Live stock	
forced disposal or death spreading or deferring income recognition	21-135
trading stock	14-020
trading stock valuation.....	14-280
Living-away-from-home allowance	
fringe benefits	26-520
calculating taxable value	26-525
Loan discounts and premiums	5-215
Loan fringe benefits	26-450
calculating taxable value	26-455
Loans	
— see also Interest	
borrowing expenses	11-565
partners and partnerships	16-260
private company associates	18-510
Local government	
exempt income.....	9-035
Lodgment of returns	30-300
Commissioner's additional powers	30-330
further and special returns.....	30-330
general requirements	30-360
GST	27-115
late lodgment penalty	33-090
ordinary returns categories.....	30-310
time limits.....	30-315

Paragraph	Paragraph
Logbook records 10-475; 10-695	
Long service leave	
accrued leave payments 10-540	
pay-roll tax 28-362	
Losses	
— see also Capital gains or losses;	
Losses or outgoings	
bad debts — see Bad debts	
foreign income — see	
Foreign losses	
life insurance companies 21-410	
partnerships 16-210	
allocation 16-250	
change in composition 16-420	
pooled development funds 21-605	
trust 17-130	
restrictions on transfer of 17-140	
tax avoidance 17-318	
Losses of prior years — see Carry forward losses	
Losses or outgoings	
— see also Losses	
apportionment of deductions 10-200	
business entity test 10-270	
capital or capital nature 10-260–10-280	
characterising 10-210–10-240	
grossly excessive expenditure 10-225	
legal rights approach 10-220	
purposive approach 10-230	
related party arrangements 10-235	
foreign income deductions 11-625	
gaining or producing	
assessable income 10-170	
connection with income earning	
activities 10-180	
“exempt income” 10-320	
“non-assessable non-exempt	
income” 10-320	
general deduction provision	
negative limbs 10-250–10-330	
positive limbs 10-040–10-240	
“incurred” 13-500–13-545	
legality of business activities 10-160	
“necessarily incurred in	
carrying on business” 10-160	
non-commercial business	
activities 11-550	
deferral of deductions 11-555	
deferral of exceptions, tests to be satisfied 11-558	
non-deductible 10-330	
non-resident business 24-570	
pre-commencement and	
post-cessation expenditure 10-160	
private or domestic	
expenditure 10-310	
profit-making undertaking	
or plan 11-575	
refinancing interest 10-460	
tax losses of earlier years — see	
Carry forward losses	
theft etc, by employee 11-580	
“to the extent that” 10-200	
Low income earners	
Government co-contribution	
for superannuation 23-150	
Medicare levy relief 2-320	
tax offset 2-640	
Lump sum payments	
structured settlement	
payments 9-200	
termination of employment,	
tables 34-290	
Luxury car leases	
assessable profit 5-475	
M	
Main residence	
CGT exemption 8-050	
absence from main residence 8-052	
accidental destruction 8-052	
acquisition from deceased estates 8-060	
building, repairing or renovating 8-052	
change of main residence 8-052	
income-producing use 8-057	
moving into dwelling 8-052	
one residence per family 8-055	
partial exemption 8-057	
land tax exempt 28-130	
Mains electricity connection costs	
primary producers 21-150	
Maintenance payments	
— see also Family maintenance payments	
exempt income 9-090	
Managed investments trusts (MITs) 17-040	

Paragraph	Paragraph
Management contracts	
compensation for termination.....	6-850
Management expenses	10-480
Manufacturers	
accruing warranty claims.....	13-543
sale of imported goods.....	24-110
Mareva injunctions	32-160
breach	32-170
Marriage breakdowns	
CGT same-asset roll-overs	8-310
Mass-marketed investment schemes	25-855
Maternity leave	
pay-roll tax	28-362
Maternity Payment	2-600
Mature age worker tax offset	2-670
Meal allowance	
substantiation of expenses	10-690
Meal entertainment fringe benefits	26-542
calculating taxable value	26-544
MEC groups	20-030
Medical benefits organisations	
exempt income.....	9-050
Medical expenses, rebate	2-650
Medical services	
GST-free	27-135
Medicare levy	
amount and collection	2-320
liability	2-300
rate and thresholds	34-010
relief	2-320
Medicare levy surcharge	2-350
tax offset	2-610
Members of Parliament	
election expenses	11-600
Membership fees	11-590
Micro-enterprises	29-255; 29-257
Minerals resource rent tax	21-241
Mining companies	
environmental protection activities	21-230
exempt income.....	21-250
exploration or prospecting expenditure	
depreciating assets first used	21-215
immediate deduction	21-210; 21-215
granting right to income	7-175
infrastructure expenditure	21-220
minerals resource rent tax.....	21-241
new resource tax	
arrangements	21-240
payments to Aborigines	21-260
petroleum resource rent tax	21-242
project expenditure	21-220
prospecting or mining entitlement	
replacement-asset CGT roll-overs ..	8-290
sale, transfer or assignment of rights.....	7-715
site rehabilitation	21-245
tax concessions	21-200
transport capital expenditure.....	21-220
Minors — see Children	
Minors' income	21-010
calculation of tax on eligible taxation income	21-050
eligible assessable income.....	21-030
persons affected	21-020
trust income.....	21-040
Miscellaneous expenses	
deductions	
borrowing	11-565
election expenses	11-600
lease documents	11-562
loss caused by theft etc	11-580
loss from profit-making	11-575
loss relating to foreign exempt income	11-625
mortgage discharge	11-570
payment of work in progress amounts	11-630
payments of pensions etc.....	11-585
payments to associations	11-590
rates and land taxes	11-610
returns paid on a debt interest	11-620
tax-related	11-560
transport expenses.....	11-635

	Paragraph		Paragraph
Moneylending		partnerships	16-210–16-250
bad debts from foreign branches	11-460	Non-cash business benefits	6-480; 10-610
interest income	13-430	Non-commercial business activities	
Mortgages		tax losses	11-550–11-558
discharge expenses.....	11-570	Non-complying superannuation funds	23-045; 23-570
Motor vehicles — see Car expenses		Non-concessional contributions	23-047; 23-085; 23-100; 23-120; 23-125; 23-470
Multinational concessions and incentives	24-900	Non-corporate intermediaries — see Partnerships	
Multiple entry consolidated group — see MEC groups		Non-depreciating assets	
Mutual insurance associations	21-430	direct value shifting rules	8-805
demutualisation	21-440	Non-fixed trusts	
Mutuality principle		— see also Discretionary trusts	
deductible rates and land tax	11-610	concessional tracing rules	19-047
limits	9-255	Non-leveraged finance leases	22-750
mutual receipts	9-250	Non-profit associations	21-500
statutory provisions	9-260	exempt income	9-070
N		non-profit companies	21-530
National Bank of Australasia		Non-profit employers	
realisation of assets	6-510	fringe benefits tax rebate	26-310
National Rental Affordability Scheme (NRAS)	21-850	Non-profit organisations Line	29-269
charity	9-040	Non-resident shareholders	
tax incentives	21-860	assessable income	18-205
National Urban Water and Desalination Plan	2-780	pooled development funds	21-610
Non-arm's length transactions		Non-resident superannuation funds	
cost of trading stock	14-100	change of status	23-085
Non-assessable non-exempt income	3-000; 3-100; 9-005; 9-010	definition	24-078
beneficiary	17-170	jurisdiction to tax	24-026
categories	9-010	residence test	24-078
exempt income distinguished	9-000	Non-resident trusts	
family trust distribution tax	17-319	beneficiary presently entitled	24-318
foreign branch profits	24-215	deemed	17-305
foreign dividends	18-205	beneficiary's income	17-170
foreign income	24-020; 24-200	jurisdiction to tax	24-024
foreign income of temporary residents	9-015; 24-214	previously non-taxable	
fringe benefits	26-330	income	17-210
intercorporate non-portfolio dividends	24-220	taxation	17-060
life insurance companies	21-413	transferor trust rules	24-260–24-280
loss or outgoing	10-320	Non-residents	
mining payments to Aborigines	21-260	— see also Foreign residents	
		Australian source income	
		permanent establishment	24-020
		source principle	24-010; 24-020

Paragraph	Paragraph
Non-residents —continued	
beneficiaries	24-024
trust income	17-170
CGT	8-700–8-730
taxable Australian property	
(proposed)	24-120; 24-550
dividend income	24-150
taxation	24-620
family trust distribution tax	17-319
franked dividends	
trans-Tasman (triangular)	
imputation	18-492
fringe benefits	24-028
intercorporate non-portfolio	
dividends	24-220
natural resource payments	24-160
partnerships	16-200; 16-210
allocation of tax liability	16-250
jurisdiction to tax	24-022
source of income	24-100
tax planning	25-940
taxation	24-550–24-580
rates of tax	2-120
TFN exemption	32-345
venture capital investments	
CGT exemption	8-090
withholding tax — see	
Withholding tax	
Non-share dividends	18-205–18-207
franked and unfranked	
distributions	18-340
Non-superannuation annuities	
tax treatment	5-320
Norfolk Island	24-030
TFN exemption	32-345
Notices	
assessment	
evidence	30-467
request for assessment	30-460
service	30-465; 32-020
information, evidence or	
records to be furnished	29-160–29-180
recovery of money from third	
party	32-130
self-assessment system	30-570
O	
Objections	
amended assessments	31-410
appeal to Federal Court	31-522
application to amend	
grounds	31-375
challenging objection	
decision	31-500–31-530
Commissioner not limited to	
original grounds	31-400
Commissioner's	
consideration	31-420
drafting valid objection	31-360
GST assessment	27-192
land tax	28-180
lodgment	31-350
extensions of time	31-355
multiple objections	31-350
pay-roll tax	28-370
PAYG withholding system	32-455
pending, recovery of tax	32-120
Private Rulings	30-484; 31-415
review by AAT	31-524–31-620
rights to reasons for decision	31-430
statement of grounds	31-360
Offences	
— see also Penalties	
ABN, misuse	32-395
acts done with intent to	
deceive	33-180
avoidance of tax — see Anti-avoidance provisions	
company tax offences	33-190
court prosecutions	33-100–33-210
Crimes Act and Criminal Code offences	25-765
Crimes (Taxation Offences) Act	25-760
criminal offences	33-250
false or misleading	
statements	33-150
financial transaction reports	32-250
verification procedures	32-260
GST	27-198
improperly divulging	
taxation information	33-205

Paragraph	Paragraph
keeping incorrect accounts or records 33-160	illegal, immoral or ultra vires receipts 3-270
obstructing Commonwealth public official 33-200	income from personal exertion 4-020–4-080
pay-roll tax 28-375	jurisdiction to tax — see Sources of income
PAYG withholding system 32-450	lease premium 5-420
recklessly making false or incorrect statements 33-170	money or money's worth 3-230
reparation orders 33-185	non-superannuation annuities 5-320
TFNs 32-360	periodicity, recurrence, regularity 3-260
under <i>Taxation Administration Act</i> 33-120–33-210	personal exertion 4-000
Offset — see Tax offsets	recipient 3-180
Offshore distributions by tax-exempt entities 9-073	recoupment of deductible expenses 3-400; 3-420
Ombudsman 31-210	royalties 5-500
method of investigation 31-225	tax accounting 13-020
powers of investigation 31-220	value of non-cash benefits 3-150
result of investigation 31-230	
Onus of proof	Overpayments of tax, interest 32-110
default assessments 30-450	Overseas Defence Force rebate 2-710
objections 31-300	
Open Learning Deferred Payment Scheme 2-400	P
Options	Paid parental leave
CGT events	tax consequences 4-020
capital proceeds 7-615	
end of option 7-155	Parliamentary election expenses 11-600
granting option 7-170	
CGT roll-over relief	Partnerships
exchange of rights or option 8-245	arranged partnerships 16-086
CGT rules 8-660	assignment of income 16-460–16-490
Oral Rulings 30-485	capital gains and losses 7-980
Ordinary assessments 30-430	assignment expenses 16-485
Ordinary income 3-150–3-290	contribution of CGT assets 16-120
alienation of the personal services income of employees 4-080	<i>Everett</i> assignments 16-490
barter transactions 3-230	interest assignment 16-480
capital gains 3-280	change in composition — see variation or dissolution (below)
characterised at the moment of derivation 3-195	characteristics of income
characterised in the hands of the person who derived it 3-190	passing through 16-305
compensation payments 3-250	commencement 16-080
competing concepts 3-020–3-050	companies mutually
definition 3-000	exclusive 16-030
earning activity 3-210	contribution of CGT assets 16-120
gain derived by taxpayer 3-290	contribution of depreciating asset 16-110

Paragraph	Paragraph
Partnerships—continued	
creation	real and effective control and disposal 16-330
general principles 16-080	variation or dissolution
tax consequences 16-090–16-120	assets 16-440
death of partner 16-420	death of partner 16-420
deductible payments to	general principles 16-400
related entity 10-565	net income or loss 16-420
definition for tax purposes 16-030	taxation consequences 16-410
dissolution 16-400	work in progress 16-435
family, income splitting 25-970	
foreign income 24-022	
general law 16-025	
GST groups 27-155	Paternity leave
holder of depreciating assets 12-140	pay-roll tax 28-362
indirect franked distributions 18-394	
leased plant, disposal 22-710	Pay-As-You-Earn (PAYE) 32-405
limited partnerships — see	
Corporate limited partnerships	Pay-As-You-Go (PAYG) system 32-405
loans to partners 16-260	
lodgment of returns 16-800	Pay-roll tax 28-300
net income or loss	anti-avoidance provisions 28-363
allocation 16-250	assessable and exempt items 28-362
calculation on partnership	Board of Review 28-370
activities 16-230	employee, meaning 28-340
changes in composition 16-420	exempt wages 28-335
non-assessable income 16-210–16-250	fringe benefits 28-330
non-resident partners 24-022	grouping of employers 28-360
allocation of tax liability 16-250	jurisdiction issues 28-361
overview 16-000	liability 28-310
payments to related entities 25-440	non-cash benefits 28-330
professional income — see	objections and appeals 28-370
Professional practices income	offences, penalties and anti-
related entity, definition 10-565	avoidance 28-375
research and development	payments to contractors 28-350
deduction 21-940	rates and annual thresholds 28-305
residence test 24-070	registration requirements for
spouses 16-086	employers 28-363
tax offsets 16-300	returns and assessment 28-365
taxation of income 16-200–16-300	wages, meaning 28-320
internal transactions 16-260	
trading stock	Pay-roll tax nexus provisions from 1 July 2009 28-361
contribution 16-100	
testamentary transfer 14-220	PAYG instalment system 32-460
transfer of assets to wholly-	annual instalment option 32-480
owned company 8-120	entities liable 32-470
uncontrolled partnership	extension of time for
income	payment 32-495
penalty tax 16-320–16-340	franking credit entries 18-380
	franking debit entries 18-385
	late payment penalties 32-500
	overview 32-405
	partnerships 16-800
	quarterly instalments 32-485; 32-490
	recovery of unpaid
	instalments 32-500

Paragraph	Paragraph
refunds of surpluses and credits.....32-510	deductibility10-550
relationship with withholding system32-465	failure to comply with notice to recover tax32-130
taxpayers' obligations32-475	false or misleading statements33-150
PAYG payment summaries	general interest charge33-040
reportable fringe benefits amounts.....26-350	GST27-198
PAYG withholding system24-600; 32-410	keeping incorrect accounts33-160
ABN quotation32-420	key points on penalty provisions33-030
alienated personal service payments32-425	misuse of confidential information29-040–29-060
directors' personal liability32-445	obstructing Commonwealth public official33-200
Farm Management Deposits21-160	overview33-000
foreign employment income24-210	pay-roll tax28-375
HELP repayments2-400	PAYG withholding system32-450
indemnity for withhold32-430	recklessly making false or incorrect statements33-170
labour hire arrangements32-420	schemes to reduce income tax25-710
mining payments to Aborigines21-260	self-assessment system33-060–33-095
objections32-455	civil penalties33-095
offences and penalties32-450	late lodgment of documents33-090
overview32-405	"safe harbour" protection33-092
"payment"32-415	superannuation guarantee scheme23-850
payment categories32-420	types of penalties33-020
refund of excess amounts32-440	Uniform Administrative
relationship with instalment system32-465	Penalty regime33-038
time of withholding32-430	civil penalty categories33-063
voluntary agreements to withhold32-420	use of publicity33-035
withholding rates32-435	Penalty tax
Payment of tax32-040	imposition33-030
owing, deferrals and extensions of time32-100	late payment penalty
security for payment32-101	general interest charge33-040
PDFs — see Pooled development funds	recovery of tax32-110
Penalties	tax exploitation scheme
— see also Offences	promoters33-097
acts done with intent to deceive33-180	tax shortfall33-064–33-086
companies	administrative offences33-067
breach of franking distributions	key elements of system33-066
benchmark rule18-350	shortfall interest charge33-065
court prosecutions33-110	trustees, false statements re
criminal offences25-765; 33-250	trust income17-220
criminal taxation offences25-760	uncontrolled partnership
	income16-320–16-340
	Pensioner rebates2-730
	Pensioners
	Medicare levy relief2-320

	Paragraph
Pensions	
exempt income.....	9-120
payments to employees or dependants	11-585
social security — see Social security benefits and allowances	
Performers	
averaging of income	21-300–21-340
Permanent departure from Australia — see Departure from Australia	
Personal injury compensation — see Compensation	
Personal services business	
alienation of personal services income.....	25-475
determinations	25-475
results test.....	25-475
Personal services income	
alienation of income	25-450–25-490
personal exertion.....	4-000
capital loss	7-715
definition	25-465
Personal superannuation funds — see Self-managed superannuation funds	
Personal use assets	
— see also Collectables	
CGT asset	7-530
capital proceeds	7-615
exempt assets	7-705
GST implications.....	7-622
Petroleum mining	
site rehabilitation	21-245
tax concessions	21-200
Petroleum resource rent tax	21-242
Pilot projects	6-250
Plant	
depreciating asset	12-130
research and development.....	21-950
Plantation forestry managed agreements	
prepayment rules.....	13-534
Pooled development funds	21-600
exempt CGT assets.....	7-705
imputation.....	21-605
PDF investment activities	21-602
PDF program	21-600
SME income component	21-605
tax treatment	21-605
shareholders	21-610
unregulated investment income component	21-605
venture capital franking sub-accounts	21-620
Pooled superannuation trusts	
CGT	23-087
jurisdiction to tax.....	24-026
rates of tax	2-150; 23-095
regulatory provision	23-060
superannuation entity	23-030
taxation.....	23-075–23-098
virtual PSTs, life insurance companies.....	21-410
Postgraduate Education Loan Scheme	2-400
Precious metals	
GST-free supply	27-135
GST input tax supply.....	27-145
Premiums	
insurance, deductibility	10-450
leases.....	5-420
loan premium	5-215
Prepayments	
deductible expenses	25-950
expenses “incurred”	13-530; 13-534
tax avoidance schemes	25-425
Prescribed Payments System (PPS)	32-405
Prescribed securities	22-580
Primary producers	21-100
averaging of income	21-130
farm management deposits scheme.....	21-160
live stock	
forced disposal	14-280
trading stock valuation	14-280
primary production business	21-110
special deductions	21-150
spreading or deferring recognition of income	21-135
Principal residence — see Main residence	

	Paragraph		Paragraph
Prior year losses — see Carry forward losses		gifts to deductible gift recipients	11-700
Privacy		income from business	
ATO	29-060	acquired for resale at profit	6-485
Private companies		instalment sales and profit-emerging accounting	13-240
classification.....	18-010		
partnership payments	25-440		
payments to associates.....	18-500–18-520		
Private health insurance			
GST-free supply	27-135		
Medicare levy surcharge	2-350		
tax offset	2-660		
Private or domestic expenditure ...	10-310		
Private Rulings	30-480		
binding Oral Rulings.....	30-485		
objection to subsequent assessment	31-415		
objections.....	30-484		
reducing delays	30-482		
withdrawal of application.....	30-483		
Product Rulings	30-474		
Production associates			
averaging income	21-300–21-340		
Professional athletes — see Sportspersons			
Professional negligence			
tax agents and advisers	33-750–33-800		
Professional practices income			
tax accounting method	13-130; 13-140		
work in progress.....	13-380		
Profit-making sales, undertakings or plans			
— see also Sale of property			
deductible loss	11-575		
income from business	6-490		
pre-1985 acquisition	7-015		
property acquired for resale	6-485		
Profits			
— see also Income from business			
business activities.....	6-090		
non-resident business	24-570		
profit-emerging accounting.....	13-240		
Property			
— see also Assets			
business dealings.....	6-110		
CGT assets	7-510		
gifts to deductible gift recipients	11-700		
income from business			
acquired for resale at profit	6-485		
instalment sales and profit-emerging accounting	13-240		
Property fringe benefits	26-550		
calculating taxable value	26-555		
in-house/external property fringe benefits.....	26-555		
Proportioning rule			
superannuation benefits.....	23-450		
Proposed Carbon Pollution Reduction Scheme	21-990		
Prosecutions	33-030; 33-100–33-210		
procedural provisions	33-210		
use of publicity	33-035		
PSTs — see Pooled superannuation trusts			
Public authorities			
exempt income.....	9-035		
Public companies			
classification.....	18-010		
Public educational institutions			
exempt income.....	9-040		
Public hospitals			
exempt income.....	9-050		
Public interest			
disclosure of information	31-060		
immunity	29-235		
Public offer of shares — see Listed public companies			
Public officers			
companies	18-010		
Public Rulings	30-474		
Public trading trusts	21-740		
jurisdiction to tax	24-024		
residence test.....	24-076		
Public unit trusts — see Corporate unit trusts			
Purchased annuities — see Annuities			
"Push down" principle.....	20-070; 20-090		
"Push up" principle.....	20-090		
Put option	8-660		

Paragraph	Paragraph
Q	
Quarantining of foreign losses 24-470	
Quarrying industry	
capital expenditure, project	
pool rules 21-220	
deductible exploration or	
prospecting expenditure 21-210	
depreciating assets 21-215	
site rehabilitation 21-245	
tax concessions 21-200	
Questions of law	
appeal to Federal Court 31-600–31-620	
R	
Ralph Review of Business	
Taxation 1-190; 1-195	
Rates and land taxes 11-610	
Rates of tax 2-100	
calculation of tax payable 2-020	
example 2-040	
car fringe benefits valuation 34-400	
CGT 7-950	
improvements to pre-CGT	
assets 34-230	
index numbers 34-225	
companies 2-130; 18-000; 34-025	
deceased estates	
income accrued at death 17-240	
dividend withholding tax 24-620	
family assistance 2-250	
HELP 2-400	
land tax 28-150	
marginal and average rates 1-110	
Medicare levy 2-300–2-350; 34-010	
minors 34-020	
non-profit companies 21-530	
non-residents 24-550	
overview 2-000	
PAYG withholding 32-435	
pooled development funds 21-605	
prescribed non-resident	
individuals 2-120	
primary producers' averaging	
of income 21-130	
reduction in tax-free	
threshold 2-200	
registered organisations 21-540	
resident individuals 2-110; 34-000	
stamp duty 28-580	
superannuation entities 2-150; 23-095	
trustees 2-140; 34-030	
withholding tax	
royalties 24-630	
Real estate investment trusts (REITs) 24-024	
Reasonable care test 33-070	
Rebates	
— see also Tax offsets	
civilians serving overseas	
with UN forces 2-720	
dependants 2-560	
fringe benefits tax, non-profit employers 26-310	
housekeeper 2-630	
income arrears 2-690	
individuals 34-165	
life assurance bonuses 2-760	
medical expenses 2-650	
overseas Defence Force 2-710	
overview 2-500	
pensioners 2-730	
social security beneficiary	
rebate 2-740	
sole parent (notional) 2-620	
trading stock 14-095	
venture capital franking	
rebate 8-095	
zone allowance 2-700	
Recklessness 33-078	
Records	
CGT 7-960	
Commissioner's access	
powers 29-130–29-180	
search warrants 25-765; 29-190	
confidentiality 29-060	
failure to keep 29-120	
making and retaining tax-related records 29-110	
civil penalties 33-095	
form 29-114	
GST 27-194	
offences — see Offences	
requirement to produce 29-175	
retention 29-116	
retention period 29-118	
substantiation of expenses 10-705	
tax planning 25-900	
CGT 25-988	

	Paragraph		Paragraph
Recoupment of deductible expenses		international tax arrangement	24-950
assessable recoupment	3-420	options for further reform	1-250
ordinary income	3-400	progressive simplification of tax system	1-190
statutory recoupment rules	3-420	superannuation simplification	23-000
tax-related expenses	11-560	trans-Tasman (triangular) imputation	18-492
Recovery of bad debts	11-460	wealth tax	1-250
Recovery of unpaid tax	32-010	Refund of overpaid tax	32-110
— see also Collection of tax		Registered organisations	21-540
ABN system	32-375–32-395	Registered tax agents — see Tax agents	
collection of tax	32-400	Regulations	1-520
departure prohibition orders	32-150	Reimbursements	
estoppel	32-125	car expenses	4-190
financial transaction reports	32-230–32-270	deductions	10-607
“garnishee” notice	32-130	expense payment fringe benefits	26-500
general interest charge	33-040	Related companies — see Group companies	
hardship relief	32-102	Related entities — see Associates	
interest on refunds	32-110	Relationship breakdowns	
Mareva injunctions	32-160	CGT same-asset roll-overs	8-310
breaches	32-170	Relatives	
non-residents	24-550; 24-580	definition	25-440
notice to third parties	32-130	payments to associates	25-440
owing, deferrals and extensions of time	32-100	Religious institutions	
pay-roll tax	28-370	exempt income	9-040
PAYG instalment system	32-460–32-510	GST-free religious services	27-135
PAYG withholding	32-440; 32-445	Remission of penalties	32-110
payment of tax	32-040	Remote area housing fringe benefits	26-510
penalty on unpaid tax	32-110	Rent	5-400–5-475
pending objections or appeals	32-120	definition	5-000; 5-410
security for payment	32-101	derivation of income	13-410
service of assessment	32-020	identifying payments	5-410
state judgment debt recovery legislation		lease premiums	5-420
Commonwealth income tax	32-105	lease surrender receipts	5-440
tax compliance	32-050	leasing transactions	22-700
TFNs	32-300; 32-310–32-370	payment for non-compliance with covenant to repair	5-460
time for payment	32-000	profit arising from car leases	5-475
waiver	32-103	Repairs	
Recreational club expenses	10-575	additions	11-060
Refinancing		“capital expenditure”	11-050
interest, deductibility	10-460		
Reform proposals			
avoidance of tax	25-835		
criticisms of current system	1-235		
guidelines for effective reform	1-235		
initiatives	1-235–1-250		

	Paragraph		Paragraph
Repairs—continued			
concept of “repair”	11-030	jurisdiction to tax.....	24-040
deductions	11-020	non-corporate intermediaries.....	24-070–24-078
improvements	11-070	superannuation funds	23-045
initial repairs.....	11-080	trusts	17-160
lessee's covenant	5-460	accumulation trusts	24-074
“notional” repairs.....	11-040	corporate unit trust.....	24-075
Replacement-asset roll-overs — see		public trading trust	24-076
Capital gains tax, roll-over relief			
Reportable employer		Resident companies	
superannuation contributions	2-050	unfranked non-portfolio dividend payments.....	24-625
— see also Reportable superannuation contributions; Superannuation contributions			
Reportable Payment System (RPS)	32-405	Residential premises	
Reportable superannuation contributions	2-050	GST input taxed supply	27-145
— see also Reportable employer superannuation contributions; Superannuation contributions		Residents	
Research and development		eligible foreign income taxes	24-360
anti-avoidance and clawback provisions	21-955	foreign income	24-210–24-220
CGT exemption	7-710	jurisdiction to tax.....	24-010; 24-020
deductions	21-920	rates of tax	2-110
aggregate R&D amount	21-945	reduced tax-free threshold	2-200
contracted expenditure.....	21-950	source of income.....	24-100
eligible companies	21-940		
premium rate for additional expenditure	21-950	Residual fringe benefits	26-650
R&D activities.....	21-935	calculating taxable value	26-660
specific deductions.....	21-950	in-house/external residual fringe benefits.....	26-660
tax credit system	21-920		
tax offset	21-960	Resolution of disputes	
Residence		Small Taxation Claims Tribunal	31-525
Australia defined.....	24-030	Restrictive covenants	4-060
companies	24-060–24-066	Retirement allowances	
franked distributions	18-400; 18-492	pay-roll tax	28-362
franking distributions.....	18-340	Retirement benefits — see Eligible termination payments	
corporate limited partner ships	24-072	Retirement income	
corporate unit trusts.....	24-075	superannuation.....	23-000
dual residence	24-080; 24-090	Retirement Savings Accounts	23-070
end of Australian residency, CGT events	7-370–7-380	deductible contributions employers	23-110
individuals	24-050–24-059	RSA holders' TFNs	32-330
		taxation of RSA business	23-075–23-098
		life insurance companies	21-410
		Retirement villages	
		land tax exemption.....	28-130
		Retiring allowances	
		deductible payment.....	11-585

Paragraph	Paragraph
Return of capital 18-540	
Return to work payments 4-200	
Returns and statements	
approved form of return 30-360	
assessment 30-400	
GST 27-187	
land tax 28-175	
lodgment — see Lodgment of returns	
partnerships 16-800	
pay-roll tax 28-365	
self-assessment 30-470	
Review	
— see also Appeals	
ABN, refusal to register 32-390	
Administrative Appeals Tribunal	
application 31-530	
constitution and conduct of hearings 31-535	
miscellaneous aspects of proceedings 31-580	
particulars of Commissioner's case 31-560	
powers 31-570	
preliminary conferences and directions hearings 31-545	
Commissioner's discretions 1-510	
GST assessment 27-192	
judicial review 31-150–31-185	
application 31-155	
application for statement of reasons 31-180	
bases for review 31-165	
“decision” of administrative nature 31-150	
excluded decisions 31-175	
Federal Court role 31-182	
remedies available 31-185	
required elements 31-150	
objection decision	
alternative appeal paths 31-500–31-530	
review by AAT 31-524	
PAYG withholding system 32-455	
Small Taxation Claims Tribunal 31-525	
tax shortfall penalties 33-086	
Revocable trusts 17-225	
Rights, CGT rules 8-615	
	Roll-over relief
	— see also Capital gains tax, roll-over relief
	balancing adjustments 12-270
	contribution of depreciating assets to partnership 16-110
	Roll-overs
	capital gains tax
	exchange of membership interests in Medical Defence Organisation (MDOs) 8-297
	exchange of stapled ownership interests for ownership interests in a unit trust 8-297
	financial services reform transitions 8-297
	eligible termination payments
	life insurance companies 21-410
	superannuation benefits taxation 23-600
	Royalties 5-500–5-600
	amounts similar to royalties 5-525
	assignment of the right to receive property income 5-600
	characterising receipts 5-525
	collection by copyright collecting society 5-540
	definition 5-000; 5-500
	ordinary usage 5-510
	statutory income 5-515
	statutory royalties as ordinary income 5-520
	statutory source of income 24-160
	withholding tax 24-630
	Rulings
	— see also Taxation Rulings
	GST 27-190
	Running balance accounts 32-505
	refunds of surpluses and credits 32-510
	S
	“Safe harbour” protection
	shortfall penalties 33-092
	Salary or wages
	definition 26-140
	derivation of income 13-400
	income arrears rebate 2-690

	Paragraph		Paragraph
Salary or wages—continued		deemed self-assessment of	
pay-roll tax	28-300–28-375	companies and funds	30-440
personal services entity		definition	30-470
deductions	25-485	elections and notifications	30-570
Salary sacrifice arrangements	4-070	interest regime	30-560
cost of depreciating asset	12-170	penalties	33-060
fringe benefits	26-360	Commissioner's power to remit	33-084
personal exertion	4-000	late lodgment of documents	33-090
superannuation contributions	23-110	miscellaneous civil penalties	33-095
tax consequences	4-070	“safe harbour” protection	33-092
Sale of goods		tax shortfalls	33-064–33-086
source of income	24-110	uniform administrative penalty	
Sale of property		regime	33-063
— see also Profit-making sales, undertakings or plans		seeking Commissioner's view	30-470
source of income	24-120	self-amendment	30-550
Sales tax	1-000	Self-education expenses	10-440
Same asset roll-overs — see Capital gains tax, roll-over relief		Self-incrimination	33-124
Same business test (SBT)		Self-managed superannuation funds	
bad debts	19-140	complying fund	23-045
corporate carry forward tax losses	19-010; 19-030	definition	23-045
failed business test	19-040	Seminars, expenses	10-600
SAP	13-030	Senior Australians	
Scholarships	9-100	Medicare levy relief	2-300; 2-320
Scientific institutions		tax offset	2-750
exempt income	9-040	Service	
Scrip for scrip takeovers		notice of assessment	30-465; 32-020
CGT roll-over relief	8-295	Service contracts	
Search warrants	25-765; 29-190	pay-roll tax	28-362
Secrecy		Services income	
— see also Confidentiality		foreign service income	24-210
TFNs	32-370	non-residents assessable	
Securities		income	24-575
capital protected borrowings	22-670	source	24-130
deferred interest securities		Sham transactions	25-330
accruing obligations	13-541	Share buy-backs	18-550
Securities lending arrangements	22-630	Share capital accounts	18-206
Security holders		Share capital reductions	18-540
CGT	7-995	Share capital tainting rules	18-565; 18-580
Self-assessment	30-400; 30-470	Shareholders	
ATO advice		assessable income	18-205
non-binding	30-471	bonus shares	18-535
ATO Rulings	30-472–30-487	definition	18-206
basis	30-470	imputation system — see	
		Imputation system	
		integrated tax system	18-120

	Paragraph		Paragraph
nature of interests.....	18-010	calculating closing pool balance ...	15-324
pooled development funds.....	21-610	calculating pool deduction	15-322
private company loans	18-510	disposal of depreciating assets	15-330
residence of companies test.....	24-066	effect on pools where a taxpayer ceases to be an eligible small business.....	15-340
Shares		immediate write-off for low total pool value.....	15-325
CGT events.....	7-300	low cost assets.....	15-310
cancellation/non-cancellation of shares	18-540	pooling	15-320
capital payments.....	7-305	cash accounting for former STS taxpayers.....	15-200
end of option	7-155	eligibility	
liquidator declares shares worthless	7-315	aggregated turnover test	15-105
pre-CGT shares.....	7-470	conditions to be satisfied.....	15-100
CGT roll-over relief		relevant entities	15-110
exchange in another company	8-250	entrepreneurs' tax offset	15-600
exchange of rights or options	8-245	trading stock.....	15-400
exchange of units in unit trust	8-255		
replacement-asset roll- overs.....	8-240–8-260	Small businesses	
CGT rules		CGT concessions	7-940; 8-400
bonus shares.....	8-610	13-year exemption	8-420
convertible interests.....	8-620	50% reduction	8-430
exchangeable interests.....	8-630	conditions	8-410
rights to acquire	8-615	improved assets roll-over.....	7-410
employee share acquisition schemes — see Employee share acquisition schemes		replacement assets, failure to acquire	7-425
members' rights	18-010	replacement assets, failure to incur significant expenditure	7-430
pooled development funds.....	21-610	replacement assets roll-over.....	7-410
source of profit	24-120	retirement exemption	8-440
Short term forex realisation gains and losses	7-487	rollover	8-450
Sick leave		CGT roll-over reversal	7-410
accrued leave payments	10-540	exempt FBT car parking benefits	26-548
Simplified Tax System			
cash accounting for former taxpayers.....	15-200	Small Taxation Claims Tribunal	
primary producers	21-100	reviews	31-525
Single member funds	23-045		
Site rehabilitation		Social security benefits and allowances	
mining, quarrying, etc	21-245	beneficiary rebate	2-740
Small and medium enterprises		exempt pensions and benefits	9-120
investments by PDF	21-605–21-620	pensioner rebate	2-730
venture capital investment	21-760	TFN quotation	32-330; 32-335
Small business audits	29-260	TFN quotation exemption	32-345
Small business entities and concessions	15-000		
capital allowances.....	15-300	Societies	
		exempt income	9-070
		Sole or principal residence — see Main residence	
		Sole parent rebate (notional)	2-620

Paragraph	Paragraph
Sole traders	States
testamentary transfer of trading stock 14-210	Constitutional provisions 1-560; 1-570
Solicitors	Commonwealth law prevailing 1-595
financial transaction reports 32-230	developments since 1942 1-610
Sources of income 24-100	GST impact on
dividends 24-150	Commonwealth/State tax
interest 24-140	relations 1-122
jurisdiction to tax 24-010–24-030	taxes 28-000
non-residents 24-550–24-580	land 28-100
royalties 24-160	pay-roll 28-300
sale of property other than trading stock 24-120	stamp duty 28-500
sale of trading stock 24-110	Uniform Tax Scheme 1-600
services income 24-130	
summary of rules 24-170	
trusts 17-160	
Special assessments 30-455	
Special bonds 22-590	
Special disability trusts (SDTs) 17-040	
Special professional averaging	
concessions 21-320	
Sportspersons	
averaging income 21-300–21-340	CGT roll-over relief 8-220
turning talent to account for profit 6-085	Statutory privileges 29-205; 29-220
Spouses	Stay of recovery proceedings 32-120
dependant rebate 2-560	Strata title conversions 7-715
family maintenance payments, deductibility 10-570	CGT roll-over relief 8-230
income splitting 25-960; 25-970	Streaming of capital benefits 18-590
maintenance 9-090	Structured settlements, payments 9-200
Medicare levy surcharge tax offset 2-610	Students
partnerships 16-086	ceasing full-time education
superannuation contributions splitting 23-145	tax-free threshold 2-200
Stamp duty 28-500	dependant rebate 2-560
administrative provisions 28-600	educational allowances 9-100
admissibility of unstamped instruments 28-590	GST-free accommodation 27-135
exemptions and concessional rates 28-570	HELP 2-400
liability 28-560	TFNs 32-335
rates of duty 28-580	
schedule for the abolition of various stamp duties 28-700	Subscriptions to associations 11-590
	Subsidiaries — see Group companies
	Subsidies 6-750
	Substantiation audits 29-255
	Substantiation of expenses 10-680
	business travel expenses 10-700
	car expenses 10-475; 10-695

Paragraph	Paragraph
work expenses 10-690	personal services entity
written evidence and record-keeping 10-705	deductions 25-485
Sugar industry exit grants 6-750	simplified tax rules 23-100
exempt income 9-140	spouse tax offsets 23-145
Superannuation benefits 23-110	standards 23-047
definition 23-110	Superannuation Holding
payment, portability and preservation 23-047	Accounts Special Account (SHASA) 23-860
tax free component 23-470	tax concessions 23-100
taxation 23-400; 23-420	deductibility of employer contributions 23-110
benefits paid from element taxed in fund 23-510	deductions for personal contributions 23-120
benefits paid from element untaxed in fund 23-520	excess contributions tax 23-125
components 23-450	financing costs on loans to fund contributions 23-160
departing Australia payments 23-580	government co-contributions 23-150
member benefits from complying plans 23-500	tax offset for spouse contributions 23-145
paid by non-complying funds 23-570	taxable contributions 23-077; 23-100
roll-overs 23-600	undeducted contributions 23-000; 23-047; 23-085; 23-100; 23-120; 23-125; 23-470
superannuation death benefits 23-550	
superannuation death benefits, same sex couple 23-550	Superannuation contributions
tax free component 23-470	surcharge 23-895
taxable component 23-480	abolition 23-895
Superannuation contributions	assessment and collection 23-895
— see also Reportable employer superannuation contributions; Reportable superannuation contributions	deductibility 10-555
deductions	surchargeable contributions 23-895
age-based limits 23-047	
death benefit termination payments table 34-325	Superannuation entities — see
employment termination payments table 34-320	Pooled superannuation trusts; Superannuation funds
partners 16-210	
personal contributions 34-325	Superannuation funds
employers	assessment, deemed 30-440
deductions 23-110	CGT 23-087
superannuation guarantee charge 23-825	exemption 8-080
financing costs on loans 23-160	change of status, assessable amounts 23-085
fringe benefits 26-335	complying and non-complying 23-045
Government co-contributions 23-150	contributions — see
pay-roll tax 28-362	Superannuation contributions
	definition 23-040
	departing Australia payments 23-047
	employer-sponsored funds 23-040
	exempt segregated current pension income 23-080

Paragraph	Paragraph
journal entries 13-040	reasonable expectation test 25-635
long-term construction	relevant purpose 25-650–25-670
contracts 13-460	salary sacrifice arrangements 4-070
overview 13-000	schemes to reduce income
professional practice income 13-130	tax 25-620–25-670
working example 13-140	definition of scheme 25-615
reconciling accounting and	
income tax 13-035	Tax compliance 32-050
rental income 13-410	
rules 13-020	Tax concessions
salary or wages 13-400	demutualisations 21-440
substituted income years 13-030	environmental protection 21-970–21-990
trading stock 14-060–14-070	first home saver accounts 21-070; 21-080
valuing closing stock on	mining companies 21-200–21-260
hand 14-080–14-160	minors' income 21-010–21-050
Tax advisers	National Rental
ethical responsibilities 33-900	Affordability Scheme
professional negligence 33-750–33-800	(NRAS) 21-860
Tax agents	non-profit companies 21-530
civil penalties 33-000; 33-063; 33-095	non-profit organisations 21-500
national system for	pooled development
regulation 33-307	funds 21-605–21-620
need for regulation 33-305	primary producers 21-100–21-160
registration	superannuation funds 23-000
applicant 33-320	tax expenditures 1-165
application 33-315	
circumstances justifying	Tax credit system
deregistration 33-500	research and development 21-920
civil penalties 33-570	
conditional registration 33-495	Tax credits — see Tax offsets
educational requirements 33-323	
requirement of "relevant	Tax evasion 25-100
employment" 33-325	amendment of assessments 30-620
restrictions on tax work outside the	civil penalty regime for tax
tax law 33-720	scheme promoters 25-755
Tax Practitioners Board 33-310	criminal offences 25-760
role and responsibilities 33-300	eCommerce, challenge 25-102
Tax avoidance — see Anti-avoidance provisions	targeting 25-105
Tax benefits	tax avoidance/tax planning
cancellation 25-680–25-695	distinguished 25-025
amount included in assessable	
income 25-685	Tax-exempt bodies
compensating adjustments 25-690;	entertainment fringe benefit 26-546
25-695	calculating taxable value 26-547
deferring income/accelerating	
deductions 25-627	Tax-exempt entities — see Exempt entities
exemptions 25-630	
identification problems 25-635	Tax file numbers 32-300
	application procedure 32-310
	confidentiality 32-370
	incorrect quotation 32-340
	no-TFN contributions
	income 23-090
	obligation to quote 32-330
	offences 32-360

Paragraph	Paragraph
Tax file numbers—continued	
option to quote	32-320
quotation necessary	32-335
quotation not necessary	32-345
TFN withholding tax.....	32-340
Tax-free threshold, reduction.....	2-200
Tax havens	
income splitting	25-970
Tax Information Exchange	
Agreements.....	24-020
Tax investigations — see Investigations	
Tax losses of prior income year — see Carry forward losses	
Tax offsets	
— see also Foreign income tax offsets (FITO); Rebates	
Australian film production.....	21-900;
21-910	
baby bonus.....	2-600
calculation of tax payable	2-020
example	2-040
child care	2-680
education tax offset	2-580
entrepreneurs' tax offset	2-590
environmental protection ...	21-970–21-990
first child	2-600
franked distributions	
gross-up and credit	
mechanism	18-400–18-428
franking deficits tax	18-380
individuals	34-165
land transport	2-770
limit on amount.....	2-540
list	2-520
low income earners.....	2-640
mature age worker	2-670
Medicare levy surcharge	
lump sum in arrears	2-610
National Rental	
Affordability Scheme	
(NRAS)	21-860
overview.....	2-500
partnership income	16-300
primary producers	
averaging of income.....	21-130
disposal of live stock	14-280
priority rules	2-540
private health insurance	2-660
R&D	21-960
refund of excess rules.....	2-540
senior Australians tax offset	2-750
superannuation contributions	
splitting between spouses	23-145
urban water.....	2-780
Tax payable, calculation.....	2-020
example	2-040
overview.....	2-000
Tax planning	25-800
accelerating deductions	25-950
advice.....	25-900
ATO attitudes.....	25-845
CGT	25-980–25-989
community attitudes and	
government responses	25-835
deferring derivation of	
income.....	25-950
GST	25-990; 27-199
income splitting.....	25-960
tax planning vehicles	25-970
income tax	
basic techniques.....	25-910
increasing deductions	25-930
judicial attitudes	25-850
mass marketed schemes	25-855
personal superannuation	
contributions	23-120
reducing assessable income.....	25-920
reducing tax rates	25-940
tax evasion, tax avoidance	
and tax planning	
distinguished	25-025
Tax Practitioners Board	33-310
Tax records — see Records	
Tax reform — see Reform proposals	
Tax-related expenses	
deductible and non-	
deductible.....	11-560
Tax shelter arrangements	25-930
prepayments.....	13-534
Tax shortfall	
base penalty	33-070–33-082
“exempt” shortfalls	33-070
final penalty amount	33-083
key elements of penalty	
system	33-066
self-assessment system.....	33-064–33-086

Paragraph	Paragraph
shortfall interest charge 33-065	international tax 24-020
shortfall statement 33-068	life insurance companies 21-410
trust income 17-220	Medicare levy 2-300
Tax system	partnerships 16-200–16-260
Commonwealth tax system,	pooled development funds 21-605
overview 1-120	professional income 21-320
conventional view 1-130	RSA business 23-098
criteria for evaluating	superannuation entities 23-075
certainty 1-195	
compliance costs 1-193	
conflict and compromise 1-230	
efficiency/neutralitY 1-200	
evidence 1-210	
fairness or equity 1-185	
fiscal adequacy 1-215	
flexibility 1-205	
macro-level economic objectives 1-225	
political acceptability 1-220	
simplicity 1-190	
functions and objectives 1-130–1-170	
free market imperfections 1-150; 1-160	
tax expenditures 1-165	
historical background 1-020–1-071	
beginnings of the modern tax	
system 1-040	
between World Wars 1-070	
early developments 1-030	
Federal government and income	
tax 1-060	
historical trends 1-071	
history of income tax in Australia .. 1-050	
overview 1-000	
in Australia 1-100–1-122	
international comparisons 1-120	
paid parental leave 4-020	
Proposed Carbon Pollution	
Reduction Scheme (CPRS) 21-990	
provision of social and merit	
goods 1-140	
tax reform initiatives 1-235–1-250	
tax resistance 1-080	
Taxable income 2-030	
calculation of tax payable 2-020	
example 2-040	
company change of	
ownership and failed same	
business test 19-040	
foreign superannuation funds 23-097	
	international tax 24-020
	life insurance companies 21-410
	Medicare levy 2-300
	partnerships 16-200–16-260
	pooled development funds 21-605
	professional income 21-320
	RSA business 23-098
	superannuation entities 23-075
	Taxation Office — see ATO
	Taxation Rulings
	— see also Rulings
	accounting methods 13-120; 13-150
	accruing insurance claims
	liability 13-542
	accruing interest expense
	obligations 13-541
	accruing warranty claims 13-543
	assessable receipt of pre-paid
	interest 13-330
	asset register 7-960
	ATO practice 1-490
	barter transactions 3-230
	business income 6-445
	business activities 6-060; 6-090
	normal proceeds 6-420
	realisation of investments 6-520
	business profits of non-
	resident 24-570
	capital works, deduction 12-500
	car parking fringe benefits 26-549
	carrying on business in
	Australia 24-064
	CGT
	creating contractual or other
	rights 7-165
	property, meaning 7-510
	replacement asset roll-over 8-295
	charitable institutions,
	meaning 9-040
	Class Rulings 30-474
	co-operative companies 21-420
	compensation payments 6-870
	consolidated groups
	cost setting rules for joining entity's
	assets 20-070
	debt and equity interests,
	distinction 22-012

Paragraph	Paragraph
Taxation Rulings—continued	
deductible superannuation contributions	23-120
deductions	
Australian films investment, pre-1 July 2007	21-900
bad debts	11-450
employer superannuation contributions	23-110
interest expenses	10-460
nature of gifts	11-685; 11-730
pensions paid to employees	11-585
repairs	11-030
research and development	21-940;
superannuation funds	23-092
trade stock	14-070
work-related expenses	10-310
distribution of capital gain	7-180
Dividend and Interest	
Reinvestment Plans	13-420
dividends paid	18-206
double tax agreements	24-020
residence of trusts and trustees	24-040
education allowances	9-100
employment allowances and reimbursements	4-140; 4-150
evaluation and possible alternatives	30-487
exempt income	
charitable institutions	9-040
non-profit hospital	9-050
religious institutions	9-040
expense payment fringe benefit	26-500
exploration or prospecting expenditure	21-210
foreign source capital gains	24-360
fringe benefits tax	
board fringe benefits	26-540
car fringe benefits	26-400; 26-410
debt waiver fringe benefits	26-430
employment relationship	26-160
GST-inclusive calculation	26-544
liability	26-300
meal entertainment fringe benefits	26-542
recipient's contribution	26-210
residual benefits	26-650
Government assistance to businesses	6-750
gratuitous payments	4-043; 4-046
home office expenses	10-430
income of deceased estates	17-250
incurred expenses	13-500; 13-510; 13-520
interest	
deductibility	10-460
lease premiums	5-420
lease surrender and variation payments	6-448
leveraged leasing	22-740
live stock	14-280
making and retaining tax-related records	29-110
electronic	29-114
medical expenses	2-650
mining and quarrying industries	
capital expenditure	21-220
non-cash business benefits	6-480
non-cash lease incentives	6-448
non-cash receipt	13-200
non-commercial business losses	11-558
non-residents, collection of tax	24-580
objections	
extension of time to lodge	31-355
valid objection	31-360
offences	
false or misleading statements	33-150
Oral Rulings	30-485
partnership	
allocation of net income or loss	16-250
assignment expenses	16-485
deductible service fees	10-225
<i>Everett</i> assignments	16-490
interest assignment	16-480
nomination of income	16-300
partners' salaries	16-260
spouses	16-086
PAYG withholding	
payments to employees	32-420
permanent establishment	24-020
personal services business	25-475
personal services income	
anti-avoidance rules	25-460

Paragraph	Paragraph
attribution	25-470
deductions	25-490
personal services income	
rules	
anti-avoidance provisions	25-460
primary production business	21-110
primary production income	
derived by trust	21-130
Private Rulings	30-480-30-484
objection to subsequent	
assessment	31-415
Product Rulings	30-474
production of records	29-175
prompt payment discount	13-325
prosecution policy	33-035
Public Rulings	30-474
qualifying securities	22-610
rebates	
life assurance bonuses.....	2-760
sole parent	2-620
zone allowance	2-700
recovery of tax	32-100
remission of penalty tax.....	33-090
residence	
domicile test	24-054
ordinary concepts	24-052
resident according to	
ordinary concepts.....	24-052; 24-056
“retained cost base asset”.....	20-070
salary sacrifice arrangements.....	4-070;
	26-360
same business test	19-030
self-assessments	30-472-30-484
self-education expenses	10-440
“single entity rule”	20-040
status post-ITAA 97	30-486
tax accounting	
derivation of interest income.....	13-430
long-term construction	
contracts.....	13-460
substituted accounting period.....	13-030
tax agents	33-305
tax benefits	25-625
tax shortfall penalties	33-068;
	33-070-33-082
trading stock.....	14-020; 14-040; 14-070
calculation of cost	14-090
replacement value	14-130
traditional securities.....	22-620
transfer pricing	24-680
travel expenses	10-475
trusts	
default vesting clause	17-090
trust stripping	17-320
Taxpayers	
deductions	
management expenses	10-480
foreign income tax offset	
residence	24-340
under accruals rules.....	24-350
ordinary income	3-290
rights to information.....	31-030-31-310
“safe harbour” protection	
from shortfall penalties	33-092
Taxpayers' Charter	29-005
Telephone line installations	
primary producers	21-150
Temporary investment	
allowance	12-460
deduction calculation	12-480
eligibility conditions	12-470
Temporary loss	
income-producing assets	6-830
Temporary residents	
CGT event	7-375
definition	9-015; 24-214
foreign income	9-015
capital gains exemption	24-214
individuals	24-059
interest withholding tax	
exemption	24-214
non-assessable non-exempt	
income	24-214
Termination of business	6-280
Termination of employment	
lump sums and income	
streams	34-290
payments	
compensation for loss of wages	6-860
superannuation deductions	
death benefit termination payments	
table	34-325
employment termination payments	
table	34-320
Termination payments	4-700
death benefit	4-780
employment	4-740

Paragraph	Paragraph
Termination payments—continued	
compensation for loss of wages	6-860
genuine redundancy and	
early retirement scheme	4-800
life benefit.....	4-750
taxation	4-755
pay-roll tax	28-362
transitional.....	4-760
unused annual and long	
service leave	4-820
Termination payments	
surcharges	23-895
abolition	23-895
deductibility	10-555
Testamentary gifts	
Cultural Bequests Programs	11-720
CGT exemption.....	7-715
Testamentary transfers of trading stock	
death of partner.....	14-220
death of sole trader	14-210
TFN — see Tax file numbers	
Theft, losses	11-580
Thin capitalisation rules	24-860
TIEAs — see Tax Information Exchange Agreements	
Timber operations	
forestry roads and timber	
mill buildings.....	21-150
primary producers	21-150
right to fell standing timber.....	21-150
Time limits	
amendment of assessments	30-620
amendment period and extension	
procedure	30-640
assessments	30-460
lodgment of objection	31-350
lodgment of returns	30-315
payment of tax	32-000
Total net investment losses	2-050
Trade unions	21-540
exempt income.....	9-060
Trading stock	
accounting methods	13-120
businesses.....	14-030
CGT asset	7-460
CGT exemption	7-710
compensation for loss	6-820
definition	14-020-14-050
extraordinary disposals	14-180-14-270
ceasing to hold item as trading	
stock	14-250
changes in status.....	14-200;
14-230-14-250	
death of partner	14-220
death of sole trader.....	14-210
deemed disposal election:.....	14-242
gifts to trust	14-270
no cost property conversions	14-243
part interests.....	14-260
pre-owned item	14-240
overview.....	14-000
partnerships	
change in composition	16-440
contributed trading stock	16-100
primary producers	14-280
raw materials and work in	
progress	14-050
sale of imported goods.....	24-110
significance of taxpayer's	
purpose.....	14-035
Simplified Tax System	14-300
small business entities and	
concessions	15-400
tax accounting.....	14-060
deductible cost.....	14-070
example	14-160
valuing closing stock on	
hand.....	14-080-14-160
work in progress	13-380
valuing stock on hand	
alternative values	14-080
“cost”	14-090
determining remaining stock	14-145
discounts, rebates and	
incentives	14-095
example	14-160
market selling value.....	14-120
non-arm's length transactions	14-100
obsolescence or special	
circumstances	14-140
replacement value	14-130
tax and accounting differences	14-150
yielding trading stock,	
distinguished	14-040

Paragraph	Paragraph
Traditional securities 22-620	exempt income 17-150
convertible or exchangeable interests 22-620	net income differences between "net income" and "income of the trust estate" 17-115
Transfer of assets — see Capital gains tax	"net income" for tax law purposes and trust law
Transfer of losses	"income" 17-270–17-290
Australian branches of foreign banks 19-100–19-130	restrictions on transfer of trust losses 17-140
consolidated group 20-110; 20-115	trust losses 17-130
trust losses 17-140	
Transfer of rights to receive income	Trust income, taxation 17-000
income from property 25-445	aspects of the law of trusts
Transfer pricing 24-680; 24-690	creation 17-020
Transferor trust rules 24-260–24-280	definition 17-010
attributable income 24-275	resettlement 17-025
attributable taxpayer 24-270	trust estate 17-050
background 24-200	trustee 17-050
non-resident trust estate 24-265	types 17-040
realisation of attributed income 24-280	basic aspects
Transitional provisions	not a separate legal entity 17-005
capital allowances 12-100	complexities
Transport capital expenditure	deemed present entitlement 17-305
mining or quarrying 21-220	distribution out of corpus to income beneficiary 17-300
Transport expenses, substantiation 10-690	"net income" for tax law purposes and trust law
Transport, GST-free supply 27-135	"income" 17-270–17-290
Travel expenses	deceased estates 17-230
accompanying relative's expenses 10-560	illustration 17-260
car expenses 10-475	income accrued at the date of death but received after death 17-240
deductions 10-475	income derived after the date of death 17-250
self-education 10-440	outline 17-060
substantiation	legal disability 17-070
business expenses 10-700	net income of a trust estate 17-110–17-150
work expenses 10-690	present entitlement 17-080–17-100
transport between workplaces 11-635	source and residence 17-160–17-210
travel between workplaces 10-475	penalties for false statements about trust income 17-220
Trees	revocable trusts and trusts for minors 17-225
primary production business 21-110	tax avoidance through the use of trusts 17-310
recognition of insurance recovery for loss 21-135	closely held trusts 17-315
Trust estate 17-050	family trust distribution tax 17-319

	Paragraph
Trust income, taxation—continued	
trust losses	17-318
<i>Trust Recoupment Tax Assessment Act</i>	
1985	17-330
trust stripping	17-320
Trust stripping	17-320; 17-330
Trustees	
CGT	
acts of bankrupt	7-985
beneficiaries absolutely entitled	7-990
deceased estates	
income accrued at death	17-240
income after death	17-250
definition	17-050
liability	
beneficiary's income.....	17-170; 17-180
no beneficiary presently entitled	17-190
penalties for false statements	
of trust income	17-220
rates of tax	2-140; 34-030
receipt of trust income not	
previously taxed.....	17-210
residence	24-074
superannuation funds	23-047
trust income.....	17-060
ultimate beneficiary non-	
disclosure tax	17-315
Trusts	
— see also Corporate unit trusts	
beneficiaries — see	
Beneficiaries	
CGT discount	7-930
CGT events.....	7-180
Australian residence ends	7-380
beneficiary absolutely entitled.....	7-205
capital payment for interest	7-200
converting to unit trust	7-195
creating trust over CGT asset	7-185
creating trust over future	
property	7-225
disposal by beneficiary of capital	
interest	7-220
disposal to beneficiary to end capital	
interest	7-215
disposal to beneficiary to end right to	
income	7-210
failure to cease to exist after roll-	
over	7-420
pre-CGT trust interest	7-470
	Paragraph
transferring CGT asset to trust	7-190
CGT roll-over relief	
restructures	7-420; 8-296
reversal	7-420
corporate unit trusts	
residence	24-075
direct value shifts affecting	
equity/loan interests.....	7-480; 8-805
discretionary — see	
Discretionary trusts	
foreign income	24-024
gift of trading stock	14-270
GST groups.....	27-155
indirect franked distributions.....	18-394
jurisdiction to tax.....	24-024
land tax	28-170
non-resident	
beneficiary presently entitled	24-318
transferor trust rules	24-260–24-280
pay-roll tax	28-362
payments to private company	
shareholders	18-510
primary production income	21-130
public trading trusts	21-740; 24-024;
	24-076
residence	
accumulation trusts	24-074
public trading trusts	24-076
residence test	24-070
special trust	28-170
transfer of assets to wholly-	
owned company	8-110
U	
Ultra vires receipts	3-270
Undeducted purchase price — see	
Annuities	
Undeducted superannuation	
contributions	23-000; 23-047;
	23-085; 23-100; 23-120; 23-125;
	23-150; 23-470
Underpayments of tax interest	30-690
Uniform Administrative Penalty	
regime	33-038; 33-063
Uniform capital allowance	
system	12-100–12-270
Uniforms	
non-compulsory	10-605

	Paragraph		Paragraph
Unincorporated associations	21-500	Vouchers	
taxation.....	18-010	GST	27-175
Unit trusts	17-040	W	
CGT		Wages — see Salary or wages	
bonus units	8-610	Waivers	
convertible interests	8-620	recovery of unpaid tax	32-103
exchange for shares	8-255	Warranties	
exchange of rights or options	8-245	derivation of income.....	13-335
exchange of units	8-240	Water and sewerage	
rights.....	8-615	GST-free supply	27-135
present entitlement of		water rates.....	11-610
unitholders	17-080	Water facilities	
United Nations service		deductible expenditure.....	21-150
civilians serving overseas	2-720	Wealth taxes	1-250
exempt income.....	9-085	Wholly-owned subsidiaries — see	
Urban water tax offset	2-780	Group companies	
V		Widely held companies	
Valour and brave conduct		concessional rules for tracing	
decorations		ownership	19-045
exempt CGT assets.....	7-705	bad debts	19-148
Value shifting rules		Winding up	
direct value shifting	7-480; 8-805	distributions to company	
general value shifting	8-800	members.....	18-010
indirect value shifting	8-810	liquidation distributions	18-560
Variable price contracts		Withholding tax	24-600
derivation of income.....	13-370	Australian withholding tax	
Venture capital franking		agreement rates.....	24-650
concessions		dividends	24-620
PDFs.....	21-620	financial institutions	24-645
Venture capital investments		interest withholding tax.....	24-610
CGT exemption	8-090	temporary residents	24-214
Australian superannuation funds...8-095;		non-residents	24-600
23-097		PAYG system	32-410–32-455
carried interests	7-485	payments to foreign residents.....	24-635
venture capital limited		royalties	24-160; 24-630
partnerships.....	21-760–21-770	tax benefit	25-620
Venture capital limited		TFN withholding tax.....	32-340
partnerships	21-760	withholding regime for	
eligible venture capital		distributions made from	
investment, definition.....	21-770	Australian Managed	
VCPL program.....	21-770	Investment Trusts.....	24-640
Vertical fiscal imbalance ("VFI")	1-122	Work expenses	
Vested interest		substantiation	10-690
beneficiary		travel between workplaces	10-475;
deemed present entitlement	17-305	11-635	
Volunteers		Work in progress	
pay-roll tax	28-362	derivation of income.....	13-380

	Paragraph		Paragraph
Work in progress—continued		Writers	
partnership variation or dissolution.....	16-435	averaging income	21-300–21-340
payments	11-630	Y	
trading stock.....	14-050	Year of income	
Work-related expenses		expenses “incurred”.....	13-520
deductions	10-310	Youth Allowance	
Workers compensation		self-education expenses	10-440
pay-roll tax	28-362	Z	
Write-off of bad debts	11-450	Zone rebates	2-700; 2-710
debt/equity swaps	11-470		
limitations by companies	11-470		