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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

Presented and read a first time

Income Tax (Consequential Amendments) Bill 1995

(Treasury)

**A Bill for an Act to amend various Acts
because of the enactment of the
*Income Tax Assessment Act 1995***

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A Bill for an Act to amend various Acts because of the enactment of the *Income Tax Assessment Act 1995*

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Income Tax (Consequential Amendments) Bill 1995*.

2 Commencement

This Act commences on 1 July 1996.

3 Schedules

The Acts specified in the Schedules to this Act are amended as set out in the applicable items. The other items in the Schedules have effect according to their terms.

Schedule 1 - Consequential amendments of the *Income Tax Assessment Act 1936*

1. Subsection 6(1) (definitions of *assessable income*, *exempt income*, *income tax* or *tax*, *taxable income* and *this Act*)

Omit, substitute:

assessable income has the meaning given by Division 6 of the *Income Tax Assessment Act 1995*.

exempt income has the meaning given by section 6-20 of the *Income Tax Assessment Act 1995*.

income tax or *tax* means income tax imposed as such by any Act, as assessed under this Act.

taxable income has the meaning given by section 4-15 of the *Income Tax Assessment Act 1995*.

this Act includes:

- (a) the *Income Tax Assessment Act 1995*; and
- (b) Part IVC of the *Taxation Administration Act 1953*, so far as that Part relates to this Act or the *Income Tax Assessment Act 1995*.

2. Subsection 6(1)

Insert:

loss year has the same meaning as in the *Income Tax Assessment Act 1995*.

tax loss has the same meaning as in the *Income Tax Assessment Act 1995*.

3. Subsection 6C(2)

Omit “and section 25,” substitute “of this Act and section 6-5 of the *Income Tax Assessment Act 1995*,”.

4. Subsection 6CA(3)

Omit “sections 25 and 255”, substitute “and section 255 of this Act and section 6-5 of the *Income Tax Assessment Act 1995*”.

5. Section 17

Omit “1965 and for each succeeding financial year”, substitute “in any of the years 1965 to 1995”.

6. Section 19

Add:

(2) This section does not apply to the 1996-97 year of income or a later year of income.

7. Paragraph 21A(3)(b)

Omit “Division 3”, substitute “Division 3 of this Part, of this Act, and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*”.

8. Subsection 21A(5) (definition of *non-deductible entertainment expenditure*)

Omit “section 51”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

9. Paragraph 23(pa)

After “income derived by a person” insert “before the 1996-97 year of income”.

10. Paragraph 23(pa)

Add at the end:

Note: Subdivision 330-B of the *Income Tax Assessment Act 1995* gives a genuine prospector an exemption from paying income tax on income derived in the 1996-97 year of income or a later year of income from the sale, transfer or assignment of rights to mine on a mining tenement in Australia.

11. Before subsection 25(1)

Insert :

(1A) Subsection (1) does not apply to the 1996-97 year of income or a later year of income.

12. Paragraphs 26AAAC(1)(b) and (c)

Omit “section 51”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

13. Paragraph 26AJ(2)(b)

Omit “Division 3”, substitute “Division 3 of this Part, of this Act, and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*”.

14. Paragraph 26AJ(2)(d)

Omit “Subdivision F of Division 3,”, substitute “Subdivisions F and GA of Division 3 of this Part, of this Act, and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*,”.

15. Paragraph 26AJ(3)(b)

Omit “Subdivision F of Division 3,”, substitute “Subdivisions F and GA of Division 3 of this Part, of this Act, and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*,”.

16. Subsection 46(6A)

Omit.

17. After subsection 46A(3)

Insert:

(3A) If this section applies to a shareholder that is a company that must work out its taxable income for the year of income under Subdivision 165-B (Working out the taxable income and tax loss for the income year of the change) of the *Income Tax Assessment Act 1995*, this section applies to the shareholder as if:

(a) that Subdivision did not apply to the shareholder;
and

(b) the shareholder were instead required to work out its taxable income under section 4-15 (How to work out your taxable income) of that Act.

18. Subsections 46A(8A) and (8B)

Omit.

19. Subsection 46A(10A)

Omit “subsections (8A) and”, substitute “subsection”.

20. Subsections 46A(11), (12) and (12A)

Omit “subsection (8A) or”.

21. Subsection 46A(13)

Omit “subsection (8A) or in”.

22. Paragraph 46A(14)(b)

Omit “subsection (8A) or”.

23. Section 48

Add:

(2) This section does not apply to the 1996-97 year of income or a later year of income.

24. Subsection 50A(1)

Omit “a year of income”, substitute “the 1995-96 year of income or an earlier year of income”.

25. Before subsection 51(1)

Insert :

(1A) Subsection (1) does not apply to the 1996-97 year of income or a later year of income.

26. Paragraph 51(2A)(c)

Omit “subsection (1)”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

27. Subsection 51(2A)

Omit “subsection (1)” (wherever occurring), substitute “that section”.

28. Subsection 51(3)

Omit “subsection (1)”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

29. Subsection 51(3)

Omit “that subsection”, substitute “that section”.

30. Subsections 51(4), (6), (7), (8) and (9)

Omit “subsection (1)”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

31. Subsection 51AE(4)

Omit “section 51”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

32. Subparagraph 51AE(5)(g)(iv)

Omit “section 51”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

33. Subsections 51AE(11) and (12)

Omit “section 51”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

34. Subsection 51AF(2) (definitions of *car* and *car expense*)

Omit, substitute:

car has the meaning given by section 995-1 of the *Income Tax Assessment Act 1995*, but does not include a car covered by section 28-165 of that Act.

car expense has the meaning given by section 28-13 of the *Income Tax Assessment Act 1995*, but does not include a car expense covered by section 28-165 of that Act.

35. Subsections 51AG(1) and 52A(1)

Omit “section 51”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

36. Subsection 57AK(7)

Omit, substitute:

(7) Subsection 330-590(3) of the *Income Tax Assessment Act 1995* applies in relation to a unit of property to which this section applies as if a reference in that subsection to section 56 included a reference to this section.

37. Subsection 59AAA(8)

Omit, substitute:

(8) The *car expense deduction and substantiation rules* are:

(a) Divisions 28 and 900 of the *Income Tax Assessment Act 1995*; or

(b) Subdivision GA of this Division and Schedules 2A and 2B to this Act; or

(c) Subdivision F of this Division;

as appropriate.

38. Subsection 63(3)

Omit "section 51", substitute "section 8-1 of the *Income Tax Assessment Act 1995*".

39. Subsection 63A(10)

Omit "in a year before the year of income is to be taken into account", substitute "is to be taken into account in the 1995-96 year of income".

40. After section 63C

Insert:

63CA When tax losses resulting from bad debts cannot be deducted

(1) If:

(a) a company can deduct a debt that is written off as bad in a year of income; and

(b) because of a change in the beneficial ownership of shares in the company or another company, the debt would not have been deductible in the income year apart from subsection 63C(1); and

- (c) the change occurred before the debt was written off as bad; and
- (d) because the debt was deductible, the company has a tax loss, or there was an increase in the amount of its tax loss, for the year of income; and
- (e) the Commissioner is satisfied that the company carried on a business during the year of income for the purpose (or for purposes including the purpose) of securing a deduction for the debt because of subsection 63C(1);

the company cannot deduct the tax loss, or cannot deduct it to the extent of the increase in the amount of the tax loss, in a later year of income unless:

- (f) the company carried on, at all times during the later year of income, the same business as it carried on immediately before the change; and
 - (g) the company did not, at any time during the later year of income, derive income from a business of a kind that it did not carry on before the change, or from a transaction of a kind that it had not entered into in the course of business operations before the change.
- (2) If a part of a debt is written off as bad, subsection (1) applies as if the part were an entire debt that is written off as bad.
 - (3) This section has the same effect in relation to an allowable deduction under section 63E for the whole or part of a debt that is extinguished as it has in relation to an allowable deduction under section 63 of this Act or section 8-1 of the *Income Tax Assessment Act 1995* for the whole or part of a debt that is written off as bad.

41. Subparagraph 63D(1)(a)(i)

Omit “section 51 or 63”, substitute “section 63 of this Act or section 8-1 of the *Income Tax Assessment Act 1995*”.

42. Paragraph 63E(3)(b)

Omit “section 51 or 63”, substitute “section 63 of this Act or section 8-1 of the *Income Tax Assessment Act 1995*”.

43. Subparagraph 63F(1)(a)(i)

Omit “section 51 or 63”, substitute “section 63 of this Act or section 8-1 of the *Income Tax Assessment Act 1995*”.

44. Subsection 64A(3)

Omit “subsection 51(1)”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

45. Subsection 67AA(2)

Omit “section 51”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

46. Subsection 69(6)

Omit “(including a provision of section 51, other than subsection 51(1))”.

47. Subsection 69(6)

Omit “section 51”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

48. Subsection 70A(2)

Omit “prescribed mining operations within the meaning of Division 10 or prescribed petroleum operations within the meaning of Division 10AA”, substitute “eligible mining operations within the meaning of the *Income Tax Assessment Act 1995*”.

49. Before subsection 72A(1)

Insert:

(1A) A deduction is not allowable under subsection (1) for the 1996-97 year of income or any later year of income.

Note: Section 330-350 of the *Income Tax Assessment Act 1995* gives a taxpayer a deduction for petroleum resource rent tax, or an instalment of petroleum resource rent tax, paid in the 1996-97 year of income or a later year of income.

50. Before subsection 72A(2)

Insert:

(2AA) A deduction is not allowable under subsection (2) for the 1996-97 year of income or any later year of income.

Note: Section 330-350 of the *Income Tax Assessment Act 1995* gives a taxpayer as agent or trustee a deduction for petroleum resource rent tax, or an instalment of petroleum resource rent tax, paid in the 1996-97 year of income or a later year of income.

51. Subsection 73B(1) (Paragraph (d) of the definition of *aggregate research and development amount*)

After “Division 10D” insert “of this Part, or Division 43 of the *Income Tax Assessment Act 1995*”.

52. Paragraph 73B(27)(c)

After "Division 10D" (wherever occurring) insert "of this Part , or under Division 43 of the *Income Tax Assessment Act 1995*,".

53. Subsection 73B(30)

Omit, substitute:

(30) If:

- (a) subsection (28) applies to expenditure incurred by an eligible company in the acquisition or construction of a building or an extension, alteration or improvement to a building; and
- (b) deductions would, apart from this section, have been allowable to the company under section 75B or 124JA of this Act, or Division 10, 10AAA, 10AA or 10D of this Part, or Division 43 or Subdivision 330-A, 330-C or 330-H of the *Income Tax Assessment Act 1995*, in respect of that expenditure;

section 75B or 124JA of this Act, or Division 10, 10AAA, 10AA or 10D of this Part, or Division 43 or Subdivision 330-A, 330-C or 330-H of the *Income Tax Assessment Act 1995*, as the case may be, applies to that expenditure as if this section had never applied to that expenditure.

54. Subparagraphs 73F(10)(d)(i) and (ii) and (e)(ii)

Omit "or Division 10, 10AAA, 10AA or 10D", substitute "of this Act, or Division 10, 10AAA, 10AA or 10D of this Part, or Division 43 or Subdivision 330-A, 330-C or 330-H of the *Income Tax Assessment Act 1995*,".

55. Paragraph 73F(10)(e)

Omit “or Division 10, 10AAA, 10AA or 10D”, substitute “of this Act, or Division 10, 10AAA, 10AA or 10D of this Part, or Division 43 or Subdivision 330-A, 330-C or 330-H of the *Income Tax Assessment Act 1995*”.

56. Subsection 73F(11)

After “Division 10D” (wherever occurring) insert “of this Part, or Division 43 of the *Income Tax Assessment Act 1995*,”.

57. Paragraph 78(6G)(a)

Omit, substitute:

- (a) an amount of the deduction to which subsection (6A) applies is not allowable because of section 26-55 of the *Income Tax Assessment Act 1995* in the assessment of the taxpayer in respect of income of the year of income in which the taxpayer died; and

58. Subsection 78(6G)

Omit “section 79C”.

59. Section 79C

Add:

- (2) This section does not apply to the 1996-97 year of income or a later year of income.

60. After section 79D

Insert:

79DA Tax losses not deductible from foreign income unless taxpayer so elects

- (1) A tax loss is not allowable as a deduction from a taxpayer's assessable foreign income (as defined in section 160AFD) of the year of income, except so far as the taxpayer so elects.
- (2) An election must be made on or before the day of lodgment of the taxpayer's return of income for the year of income, or within such further period as the Commissioner allows.

61. Before subsection 79E(1)

Insert:

- (1A) This section does not apply to the 1996-97 year of income or a later year of income.

Notes:

1. To work out the amount of a tax loss for the 1996-97 or a later income year: see Division 36 of the *Income Tax Assessment Act 1995*.
2. To find out how much of a loss incurred in a post-1989 year of income you can deduct for the 1996-97 or a later income year: see section 36-105 of the *Income Tax (Transitional Provisions) Act 1995*.

62. Subsection 79EA(1)

Omit "a year of income", substitute "the 1995-96 year of income or an earlier year of income".

63. Before subsection 79EB(1)

Insert:

- (1A) This section does not apply to the 1996-97 year of income or a later year of income.

64. Before subsection 79F(1)

Insert:

- (1A) This section does not apply to the 1996-97 year of income or a later year of income.

Notes:

1. To work out the amount of a film loss for the 1996-97 or a later income year: see Subdivision 375-G of the *Income Tax Assessment Act 1995*.
2. To find out how much of a film loss incurred in a post-1989 year of income you can deduct for the 1996-97 or a later income year: see section 36-105 of the *Income Tax (Transitional Provisions) Act 1995*.

65. Before subsection 80AA(1)

Insert:

- (1AA) This section does not apply to the 1996-97 year of income or a later year of income.

Note: To find out how much of a primary production loss incurred before the 1989-90 income year you can deduct for the 1996-97 or a later income year: see section 36-110 of the *Income Tax (Transitional Provisions) Act 1995*.

66. Before subsection 80F(1)

Insert:

- (1A) This section does not apply to the 1996-97 year of income or a later year of income.

67. Before subsection 82(1)

Insert:

(1A) Subsection (1) does not apply to the 1996-97 year of income or a later year of income.

68. Subsection 82A(1)

Omit "section 51", substitute "section 8-1 of the *Income Tax Assessment Act 1995*".

69. Section 82AC

Add:

(2) This section does not apply to the 1996-97 year of income or a later year of income.

70. Subsection 82AM(1)

Omit "section 82, 122N, 123E or 124AN", substitute "section 8-10 or 330-590 of the *Income Tax Assessment Act 1995*".

71. Subsection 82AM(1)

After "this Act" insert "or the *Income Tax Assessment Act 1995*".

72. Subsection 82AM(2)

Omit "75B, 75D, 122J, 122JF or 124AH", substitute "75B or 75D of this Act or section 330-15 of the *Income Tax Assessment Act 1995*".

73. Subsection 82BB(2)

Omit “(including a provision of section 51, other than subsection 51(1))”.

74. Subsection 82BB(2)

Omit “section 51” (second occurring), substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

75. Subsection 82BK(2)

Omit “(including a provision of section 51, other than subsection 51(1))”.

76. Subsection 82BK(2)

Omit “section 51” (second occurring), substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

77. Subsection 82KH(1) (definition of *relevant expenditure*)

Omit “section 51” (wherever occurring), substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

78. Subsection 82KH(1) (paragraph (f) of the definition of *relevant expenditure*)

Omit “63”, substitute “section 63 of this Act”.

79. Subsection 82KH(1) (paragraph (o) of the definition of *relevant expenditure*)

Omit “64”, substitute “section 64 of this Act”.

80. Subsection 82KH(1ABA)

Omit “51 or 63”, substitute “63 of this Act or section 8-1 of the *Income Tax Assessment Act 1995*”.

81. Subsection 82KH(1BA)

Omit everything after “otherwise)”, substitute:

would:

- (a) have a tax loss for a year of income that the person would not have; or
- (b) have a greater tax loss for a year of income than the person would have;

if a tax benefit were not allowable in respect of any part of that eligible relevant expenditure, apply Division 36 and Subdivision 375-G of the *Income Tax Assessment Act 1995* as if the amount were relevant expenditure but not eligible relevant expenditure.

82. Subsection 82KS(2)

Omit “later years”, substitute “1995-96 year”.

83. Heading to Subdivision GA of Division 3 of Part III

Omit “later”, substitute “1995-96”.

84. Subsection 82KZBE(1)

Omit “later income years”, substitute “1995-96 income year”.

Schedule 1 - Consequential amendments of the Income Tax Assessment Act 1936

85. Subsection 82KZBE(1)

Add at the end:

Note: For the law applying to the 1996-97 income year and later income years, see Divisions 28 and 900 of the *Income Tax Assessment Act 1995*.

86. Subsections 82U(2) and (3)

Omit "section 51", substitute "section 8-1 of the *Income Tax Assessment Act 1995*".

87. Paragraph 82ZB(b)

Omit all the words after "allowable", substitute "to the taxpayer under Subdivision A of Division 3 of this Part or under Division 36 of the *Income Tax Assessment Act 1995*".

88. Section 90 (definitions of *net income* and *partnership loss*)

Omit "section 79E, 80, 80AA or 82AAT", substitute "section 82AAT of this Act or Division 36 of the *Income Tax Assessment Act 1995*".

89. Section 94X

Omit "Sections 50H and 80A", substitute "Subdivisions 165-A and 165-B of the *Income Tax Assessment Act 1995*".

90. Subsection 95(1) (definition of *net income*)

Omit "section 79E, 79F, 80, 80AAA or 80AA", substitute "Division 36 of the *Income Tax Assessment Act 1995*".

91. Subsection 95(1) (definition of *net income*)

Before "losses" insert "tax".

92. Subsection 102AAZC(1)

Omit "section 79E, 79F, 80, 80AAA or 80AA", substitute "Division 36 of the *Income Tax Assessment Act 1995*".

93. Subsection 102AAZC(1)

Before "losses" insert "tax".

94. Subsection 105A(11)

Omit "in a year before the year of income is to be taken into account", substitute "is to be taken into account in the 1995-96 year of income".

95. Subsection 110(1) (definition of *modified 25/25A amount*)

Omit "25 or 25A", substitute "25A of this Act or section 6-5 of the *Income Tax Assessment Act 1995*".

96. Subsection 110(1) (definition of *modified 51/52 amount*)

Omit "51 or 52", substitute "52 of this Act or section 8-1 of the *Income Tax Assessment Act 1995*".

97. Subsection 110(1) (definition of *ordinary 25/25A amount*)

Omit "25 or 25A", substitute "25A of this Act or section 6-5 of the *Income Tax Assessment Act 1995*".

98. Subsection 110(1) (definition of *ordinary 51/52 amount*)

Omit "51 or 52", substitute "52 of this Act or section 8-1 of the *Income Tax Assessment Act 1995*".

99. Subsection 110(1) (definition of *prior year loss deduction*)

Omit “section 79E, 79F, 80, 80AAA or 80AA”, substitute “Division 36 of the *Income Tax Assessment Act 1995*”.

100. Paragraph 111AC(3)(a)

Omit “51 or 111AD”, substitute “111AD of this Act or section 8-1 of the *Income Tax Assessment Act 1995*”.

101. Paragraph 111AD(4)(a)

Omit “51 or 111AC”, substitute “111AC of this Act or section 8-1 of the *Income Tax Assessment Act 1995*”.

102. Paragraph 111B(1)(d)

Omit “section 25”, substitute “section 6-5 of the *Income Tax Assessment Act 1995*”.

103. Paragraph 111B(1)(e)

After “52” insert “of this Act”.

104. Paragraph 111B(1)(f)

Omit “section 51”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

105. Paragraph 111C(1)(a)

Omit “51,”.

106. Paragraph 111C(1)(a)

After “113” insert “of this Act or section 8-1 of the *Income Tax Assessment Act 1995*”.

107. Subsection 113(4)

Omit“(including a provision of section 51, other than subsection 51(1))”.

108. Subsection 113(4)

Omit “section 51”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

109. Subsection 116CH(3)

Omit “section 80AB” (first occurring), substitute “section 36-110 of the *Income Tax (Transitional Provisions) Act 1995*”.

110. Subsection 116CH(3)

Omit “section 80AB” (last occurring), substitute “section 375-820 of the *Income Tax Assessment Act 1995* and section 36-110 of the *Income Tax (Transitional Provisions) Act 1995*”.

111. Subsection 116HD(2)

Omit “section 80AB” (last occurring), substitute “section 375-820 of the *Income Tax Assessment Act 1995* and section 36-110 of the *Income Tax (Transitional Provisions) Act 1995*”.

112. Subsection 116E(1) (definition of *modified 25/25A amount*)

Omit “25 or 25A”, substitute “25A of this Act or section 6-5 of the *Income Tax Assessment Act 1995*”.

113. Subsection 116E(1) (definition of *modified 51/52 amount*)

Omit “51 or 52”, substitute “52 of this Act or section 8-1 of the *Income Tax Assessment Act 1995*”.

114. Subsection 116E(1) (definition of *ordinary 25/25A amount*)

Omit “25 or 25A”, substitute “25A of this Act or section 6-5 of the *Income Tax Assessment Act 1995*”.

115. Subsection 116E(1) (definition of *ordinary 51/52 amount*)

Omit “51 or 52”, substitute “52 of this Act or section 8-1 of the *Income Tax Assessment Act 1995*”.

116. Subsection 116E(1) (definition of *prior year loss deduction*)

Omit “section 79E, 79F, 80, 80AAA or 80AA”, substitute “Division 36 of the *Income Tax Assessment Act 1995*”.

117. Paragraph 116GC(1)(d)

Omit “section 25”, substitute “section 6-5 of the *Income Tax Assessment Act 1995*”.

118. Paragraph 116GC(1)(e)

After “52” insert “of this Act”.

119. Paragraph 116GC(1)(f)

Omit “section 51”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

120. Paragraph 116HAB(3)(a)

Omit “51, 116H or 116HAC”, substitute “116H or 116HAC of this Act or section 8-1 of the *Income Tax Assessment Act 1995*”.

121. Paragraph 116HAC(4)(a)

Omit “51, 116H or 116HAB”, substitute “116H or 116HAB of this Act or section 8-1 of the *Income Tax Assessment Act 1995*”.

122. Subsection 116HD(2)

Omit “section 80AB” (first occurring), substitute “section 36-110 of the *Income Tax Assessment (Transitional Provisions) Act 1995*”.

123. Subsection 121EF(7)

Omit “section 79E, 79F, 80, 80AAA or 80AA”, substitute “Division 36 of the *Income Tax Assessment Act 1995*”.

124. After subsection 122D(1)

Insert:

- (1A) A deduction is not allowable under subsection (1) for the 1996-97 year of income or any later year of income.

Note: Section 330-1 of the *Income Tax (Transitional Provisions) Act 1995* converts any undeducted residual previous capital expenditure at the end of the 1995-96 year of income into allowable capital expenditure incurred by a taxpayer in the 1996-97 year of income.

125. After subsection 122DB(1)

Insert:

- (1A) A deduction is not allowable under subsection (1) for the 1996-97 year of income or any later year of income.

Note: Section 330-1 of the *Income Tax (Transitional Provisions) Act 1995* converts any undeducted residual capital expenditure at the end of the 1995-96 year of income into allowable capital expenditure incurred by a taxpayer in the 1996-97 year of income.

126. After subsection 122DD(1)

Insert:

- (1A) A deduction is not allowable under subsection (1) for the 1996-97 year of income or any later year of income.

Note: Section 330-1 of the *Income Tax (Transitional Provisions) Act 1995* converts any undeducted residual (1 May 1981 to 18 August 1981) capital expenditure at the end of the 1995-96 year of income into allowable capital expenditure incurred by a taxpayer in the 1996-97 year of income.

127. After subsection 122DF(1)

Insert:

- (1A) A deduction is not allowable under subsection (1) for the 1996-97 year of income or any later year of income.

Note: Section 330-1 of the *Income Tax (Transitional Provisions) Act 1995* converts any undeducted residual (19 August 1981 to 19 July 1982) capital expenditure at the end of the 1995-96 year of income into allowable capital expenditure incurred by a taxpayer in the 1996-97 year of income.

128. Subsection 122DG(1)

- (a) After “after 19 July 1982” insert “and before the 1996-97 year of income”.

- (b) Add at the end:

Note: Subdivision 330-C of the *Income Tax Assessment Act 1995* gives a taxpayer a deduction for allowable capital expenditure incurred in the 1996-97 year of income or a later year of income.

129. After subsection 122DG(2)

Insert:

- (2A) A deduction is not allowable under subsection (2) for the 1996-97 year of income or any later year of income.

Note: Section 330-5 of the *Income Tax (Transitional Provisions) Act 1995* converts the amount of unrecouped expenditure at the end of the 1995-96 year of income into allowable capital expenditure incurred by a taxpayer in the 1996-97 year of income.

130. Subsection 122DG(7)

Add at the end:

Note: Subsection (2A) limits deductions allowable under subsection (2) to years of income before the 1996-97 year of income. Section 330-45 of the *Income Tax (Transitional Provisions) Act 1995* converts the whole or a part of a deduction disallowed in the 1995-96 year of income into an amount a taxpayer can deduct in the 1996-97 year of income.

131. After subsection 122J(1)

Insert:

- (1A) A deduction is not allowable under subsection (1) for the 1996-97 year of income or any later year of income.

Note: Subdivision 330-A of the *Income Tax Assessment Act 1995* gives a taxpayer a deduction for expenditure incurred on exploration or prospecting for minerals obtainable by eligible mining operations in the 1996-97 year of income or a later year of income.

132. Subsection 122J(3)

Add at the end:

Note: Section 330-10 of the *Income Tax (Transitional Provisions) Act 1995* converts any excess amount at the end of the 1995-96 year of income into exploration or prospecting expenditure incurred by the taxpayer in the 1996-97 year of income.

133. Subsection 122J(4)

Add at the end:

Note: Section 330-30 of the *Income Tax (Transitional Provisions) Act 1995* converts any excess amount at the end of the 1995-96 year of income into exploration or prospecting expenditure incurred by the taxpayer in the 1996-97 year of income.

134. Subsection 122J(4C)

Add at the end:

Note: Section 330-40 of the *Income Tax (Transitional Provisions) Act 1995* converts any excess amount at the end of the 1995-96 year of income into exploration or prospecting expenditure incurred by the taxpayer in the 1996-97 year of income.

135. Subsection 122JAA(1)

After “property” (first occurring) insert “before the 1996-97 year of income”.

136. Subsection 122JAA(1)

Add at the end:

Note: Common rule 1 in Subdivision 41-A of the *Income Tax Assessment Act 1995* sets out when roll-over relief is available in relation to the disposal of property in the 1996-97 year of income or a later year of income.

137. Subsection 122JAA(2)

After “property” insert “before the 1996-97 year of income”.

138. Subsection 122JAA(2)

Add at the end:

Note: Common rule 1 in Subdivision 41-A of the *Income Tax Assessment Act 1995* sets out when a joint election for roll-over relief may be made in relation to the disposal of property in the 1996-97 year of income or a later year of income.

139. Subsection 122JE(1)

Omit, substitute:

- (1) If, after 15 August 1989 and before the 1996-97 year of income, a taxpayer incurs allowable capital expenditure, an amount worked out in accordance with this section is an allowable deduction in respect of that expenditure in the year of income the expenditure was incurred and in all later years of income.

Note: Subdivision 330-C of the *Income Tax Assessment Act 1995* gives a taxpayer a deduction for allowable capital expenditure incurred in the 1996-97 year of income or a later year of income.

- (1A) A deduction is not allowable under subsection (1) for the 1996-97 year of income or any later year of income.

Note: Section 330-5 of the *Income Tax (Transitional Provisions) Act 1995* converts the amount of unrecouped expenditure at the end of the 1995-96 year of income into allowable capital expenditure incurred by a taxpayer in the 1996-97 year of income.

140. Subsection 122JE(9)

Add at the end:

Note: Subsection (1A) limits deductions allowable under subsection (1) to years of income before the 1996-97 year of income. Section 330-45 of the *Income Tax (Transitional Provisions) Act 1995* converts the whole or a part of a deduction disallowed in the 1995-96 year of income into an amount a taxpayer can deduct in the 1996-97 year of income.

141. Subsection 122JF(1)

Omit, substitute:

- (1) Subject to this section, expenditure incurred by the taxpayer after 15 August 1989 and before the 1996-97 year of income on exploration or prospecting for materials obtainable by eligible quarrying operations is an allowable deduction in the year of income the expenditure was incurred.

Note: Subdivision 330-A of the *Income Tax Assessment Act 1995* gives a taxpayer a deduction for expenditure incurred on exploration or prospecting for quarry materials obtainable by eligible quarrying operations in the 1996-97 year of income or a later year of income.

142. Subsection 122JF(6)

Add at the end:

Note: Section 330-40 of the *Income Tax (Transitional Provisions) Act 1995* converts any excess amount at the end of the 1995-96 year of income into exploration or prospecting expenditure incurred by the taxpayer in the 1996-97 year of income.

143. Subsection 122JG(1)

After “property” (first occurring) insert “before the 1996-97 year of income”.

144. Subsection 122JG(1)

Add at the end:

Note: Common rule 1 in Subdivision 41-A of the *Income Tax Assessment Act 1995* sets out when roll-over relief is available in relation to the disposal of property in the 1996-97 year of income or a later year of income by a taxpayer to another taxpayer.

145. Subsection 122JG(2)

After “property” insert “before the 1996-97 year of income”.

146. Subsection 122JG(2)

Add at the end:

Note: Common rule 1 in Subdivision 41-A of the *Income Tax Assessment Act 1995* sets out when a joint election for roll-over relief may be made in relation to the disposal of property in the 1996-97 year of income or a later year of income.

147. After subsection 122K(1)

Insert:

(1A) The disposal, loss or destruction of the property, or the termination of use of the property by the taxpayer for prescribed purposes or eligible purposes, must have occurred in the 1995-96 year of income or an earlier year of income.

Note: Subdivision 330-J of the *Income Tax Assessment Act 1995* deals with balancing adjustments for the 1996-97 year of income and later years of income.

148. Subsection 123A(1)

After "1 July 1961" insert "and before the 1996-97 year of income".

149. Subsection 123A(1)

Add at the end:

Note: Subdivision 330-H of the *Income Tax Assessment Act 1995* gives a taxpayer a deduction for transport capital expenditure incurred in the 1996-97 year of income or a later year of income.

150. Subsection 123A(1A)

After "by a taxpayer" insert "before the 1996-97 year of income".

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151. Subsection 123A(1A)

Add at the end:

Note: Subdivision 330-H of the *Income Tax Assessment Act 1995* gives a taxpayer a deduction for transport capital expenditure incurred in the 1996-97 year of income or a later year of income.

152. Paragraph 123A(1C)(a)

After “17 August 1976” insert “and before the 1996-97 income year”.

153. Subsection 123A(1C)

Add at the end:

Note: Subdivision 330-H of the *Income Tax Assessment Act 1995* gives a taxpayer a deduction for transport capital expenditure incurred in the 1996-97 year of income or a later year of income.

154. Subsection 123A(1E)

After “9 March 1984” insert “and before the 1996-97 year of income”.

155. Subsection 123A(1E)

Add at the end:

Note: Subdivision 330-H of the *Income Tax Assessment Act 1995* gives a taxpayer a deduction for transport capital expenditure incurred in the 1996-97 year of income or a later year of income.

156. After subsection 123B(1)

Insert:

- (1A) A deduction is not allowable under subsection (1) for the 1996-97 year of income or any later year of income.

Note: Section 330-60 of the *Income Tax (Transitional Provisions) Act 1995* converts any capital expenditure to which this Subdivision applies that is undeducted at the end of the 1995-96 year of income into transport capital expenditure incurred by a taxpayer in the 1996-97 year of income.

157. Subsection 123BBA(1)

After “property” (first occurring) insert “before the 1996-97 year of income”.

158. Subsection 123BBA(1)

Add at the end:

Note: Common rule 1 in Subdivision 41-A of the *Income Tax Assessment Act 1995* sets out when roll-over relief is available in relation to the disposal of property in the 1996-97 year of income or a later year of income by a taxpayer to another taxpayer.

159. Subsection 123BBA(2)

After “property” insert “before the 1996-97 year of income”.

160. Subsection 123BBA(2)

Add at the end:

Note: Common rule 1 in Subdivision 41-A of the *Income Tax Assessment Act 1995* sets out when a joint election for roll-over relief may be made in relation to the disposal of property in the 1996-97 year of income or a later year of income.

161. Paragraphs 123BD(1)(a) and (b)

After “15 August 1989” insert “and before the 1996-97 income year”.

162. Subsection 123BD(1)

Add at the end:

Note: Subdivision 330-H of the *Income Tax Assessment Act 1995* gives a taxpayer a deduction for transport capital expenditure incurred in the 1996-97 year of income or a later year of income.

163. After subsection 123BE(1)

Insert:

(1A) A deduction is not allowable under subsection (1) for the 1996-97 year of income or any later year of income.

Note: Section 330-60 of the *Income Tax (Transitional Provisions) Act 1995* converts any capital expenditure to which this Subdivision applies that is undeducted at the end of the 1995-96 year of income into transport capital expenditure incurred by a taxpayer in the 1996-97 year of income.

164. Subsection 122BF(1)

After “property” (first occurring) insert “before the 1996-97 year of income”.

165. Subsection 122BF(1)

Add at the end:

Note: Common rule 1 in Subdivision 41-A of the *Income Tax Assessment Act 1995* sets out when roll-over relief is available in relation to the disposal of property in the 1996-97 year of income or a later year of income by a taxpayer to another taxpayer.

166. Subsection 123BF(2)

After “property” insert “before the 1996-97 year of income”.

167. Subsection 123BF(2)

Add at the end:

Note: Common rule 1 in Subdivision 41-A of the *Income Tax Assessment Act 1995* sets out when a joint election for roll-over relief may be made in relation to the disposal of property in the 1996-97 year of income or a later year of income.

168. After subsection 123C(1)

Insert:

(1A) The disposal, loss or destruction of the property, or the termination of use of the property by the taxpayer primarily and principally for a purpose referred to in section 123A or 123BD, must have occurred in the 1995-96 year of income or an earlier year of income.

Note: Subdivision 330-J of the *Income Tax Assessment Act 1995* deals with balancing adjustments for the 1996-97 year of income and later years of income.

169. Paragraph 124AA(1)(b)

After “1 July 1976” insert “and before the 1996-97 year of income”.

170. Subsection 124AA(1)

Add at the end:

Note: Subdivision 330-C of the *Income Tax Assessment Act 1995* gives a taxpayer a deduction for allowable capital expenditure incurred in the 1996-97 year of income or a later year of income.

171. After subsection 124AD(1)

Insert:

- (1A) A deduction is not allowable under subsection (1) for the 1996-97 year of income or any later year of income.

Note: Section 330-1 of the *Income Tax (Transitional Provisions) Act 1995* converts any undeducted residual previous capital expenditure at the end of the 1995-96 year of income into allowable capital expenditure incurred by a taxpayer in the 1996-97 year of income.

172. After subsection 124ADB(1)

Insert:

- (1A) A deduction is not allowable under subsection (1) for the 1996-97 year of income or any later year of income.

Note: Section 330-1 of the *Income Tax (Transitional Provisions) Act 1995* converts any undeducted residual capital expenditure at the end of the 1995-96 year of income into allowable capital expenditure incurred by a taxpayer in the 1996-97 year of income.

173. After subsection 124ADD(1)

Insert:

- (1A) A deduction is not allowable under subsection (1) for the 1996-97 year of income or any later year of income.

Note: Section 330-1 of the *Income Tax (Transitional Provisions) Act 1995* converts any undeducted residual (1 May 1981 to 18 August 1981) capital expenditure at the end of the 1995-96 year of income into allowable capital expenditure incurred by a taxpayer in the 1996-97 year of income.

174. After subsection 124ADF(1)

Insert:

- (1A) A deduction is not allowable under subsection (1) for the 1996-97 year of income or any later year of income.

Note: Section 330-1 of the *Income Tax (Transitional Provisions) Act 1995* converts any undeducted residual (19 August 1981 to 19 July 1982) capital expenditure at the end of the 1995-96 year of income into allowable capital expenditure incurred by a taxpayer in the 1996-97 year of income.

175. Subsection 124ADG(1)

After “after 19 July 1982” insert “and before the 1996-97 year of income”.

176. Subsection 124ADG(1)

Add at the end:

Note: Subdivision 330-C of the *Income Tax Assessment Act 1995* gives a taxpayer a deduction for allowable capital expenditure incurred in the 1996-97 year of income or a later year of income.

177. After subsection 124ADG(2)

Insert:

- (2A) A deduction is not allowable under subsection (2) for the 1996-97 year of income or any later year of income.

Note: Section 330-5 of the *Income Tax (Transitional Provisions) Act 1995* converts the amount of unrecovered expenditure at the end of the 1995-96 year of income into allowable capital expenditure incurred by a taxpayer in the 1996-97 year of income.

178. Subsection 124ADG(7)

Add at the end:

Note: Subsection (2A) limits deductions allowable under subsection (2) to years of income before the 1996-97 year of income. Section 330-45 of the *Income Tax (Transitional Provisions) Act 1995* converts the whole or a part of a deduction disallowed in the 1995-96 year of income into an amount a taxpayer can deduct in the 1996-97 year of income.

179. Subparagraph 124AE(e)(i)

Omit “section 79E, 79F, 80, 80AAA or 80AA”, substitute “Division 36 of the *Income Tax Assessment Act 1995*”.

180. After subsection 124AH(1)

Insert:

(1A) A deduction is not allowable under subsection (1) for the 1996-97 year of income or any later year of income.

Note: Subdivision 330-A of the *Income Tax Assessment Act 1995* gives a taxpayer a deduction for expenditure incurred on exploration or prospecting for petroleum obtainable by eligible mining operations in the 1996-97 year of income or a later year of income.

181. Subsection 124AH(4)

Add at the end:

Note: Section 330-35 of the *Income Tax (Transitional Provisions) Act 1995* converts any excess amount at the end of the 1995-96 year of income into exploration or prospecting expenditure incurred by the taxpayer in the 1996-97 year of income.

182. Subsection 124AH(4B)

Add at the end:

Note: Section 330-40 of the *Income Tax (Transitional Provisions) Act 1995* converts any excess amount at the end of the 1995-96 year of income into exploration or prospecting expenditure incurred by the taxpayer in the 1996-97 year of income.

183. After subsection 124AM(1)

Insert:

(1A) The disposal, loss or destruction of the property, or the termination of use of the property by the taxpayer for purposes of carrying on prescribed petroleum operations or of exploration or prospecting for petroleum, must have occurred in the 1995-96 year of income or an earlier year of income.

Note: Subdivision 330-J of the *Income Tax Assessment Act 1995* deals with balancing adjustments for the 1996-97 year of income and later years of income.

184. Subsection 124AMAA(1)

After "property" (first occurring) insert "before the 1996-97 year of income".

185. Subsection 124AMAA(1)

Add at the end:

Note: Common rule 1 in Subdivision 41-A of the *Income Tax Assessment Act 1995* sets out when roll-over relief is available in relation to the disposal of property in the 1996-97 year of income or a later year of income by a taxpayer to another taxpayer.

186. Subsection 124AMAA(2)

After "property" insert "before the 1996-97 year of income".

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187. Subsection 124AMAA(2)

Add at the end:

Note: Common rule 1 in Subdivision 41-A of the *Income Tax Assessment Act 1995* sets out when a joint election for roll-over relief may be made in relation to the disposal of property in the 1996-97 year of income or a later year of income.

188. Subsection 124BA(1)

After "1 July 1991" insert "and before the 1996-97 year of income".

189. Subsection 124BA(1)

Add at the end:

Note: Subdivision 330-I of the *Income Tax Assessment Act 1995* gives a taxpayer a deduction for expenditure incurred on rehabilitation in the 1996-97 year of income or a later year of income.

190. Before section 124ZA

Insert in Division 10C of Part III:

124ZAPA Division to cease to have effect

This Division does not have effect for the 1996-97 year of income or a later year of income.

191. Before section 124ZF

Insert in Division 10D of Part III:

124ZEB Division to cease to have effect

This Division does not have effect for the 1996-97 year of income or a later year of income.

192. Heading to Subdivision B of Division 10E of Part III

Omit "Components of the", substitute "The".

193. After section 124ZS

Insert:

124ZTA Taxable income in first year as PDF if PDF component is nil

(1) This section applies if:

- (a) a company becomes a PDF during a year of income and is still a PDF at the end of the year of income; and
- (b) the PDF component for the year of income is a nil amount; and
- (c) the year of income is the 1996-97 year of income or a later one.

(2) The company's taxable income of the year of income is the amount that, if the period (the *notional year*) beginning at the start of the year of income and ending immediately before the company becomes a PDF were a year of income of the company, would be the company's taxable income of the notional year.

194. Subsection 159GE(1) (definition of *capital expenditure deduction*)

After "10D" insert "of this Part or Division 43 or Subdivision 330-C or 330-H of the *Income Tax Assessment Act 1995*".

195. Subsection 159GE(1) (definition of *Division 10, 10AA or 10A property*)

After "10AA" insert "of this Part or Subdivision 330-C of the *Income Tax Assessment Act 1995*".

196. Subsection 159GE(1) (definition of *Division 10AAA property*)

Omit "applies", substitute "of this Part applies or transport capital expenditure within the meaning of Subdivision 330-H of the *Income Tax Assessment Act 1995*".

197. Subsection 159GE(1) (Definition of *Division 10C or 10D property*)

After "10D" insert "or for which there is a pool of construction expenditure within the meaning of Division 43 of the *Income Tax Assessment Act 1995*".

198. Paragraph 159GF(3)(e)

Omit, substitute:

- (e) so much as is unrecouped of an amount of allowable (post 19 July 1982) capital expenditure within the meaning of Division 10 or 10AA;
- (f) so much as is unrecouped of an amount of allowable capital expenditure within the meaning of Subdivision 330-C of the *Income Tax Assessment Act 1995*;

199. Subsection 159GF(4)

After “under Division 10AAA” insert “of this Part or Subdivision 330-H of the *Income Tax Assessment Act 1995*”.

200. Subsection 159GF(5)

Omit “as the case may be”, substitute “or undeducted construction expenditure within the meaning of Division 43 of the *Income Tax Assessment Act 1995*”.

201. Paragraph 159GJ(2)(a)

After “10A” (first occurring) insert “of this Part or Subdivision 330-C of the *Income Tax Assessment Act 1995*”.

202. Paragraph 159GJ(2)(c)

After “10A” (first occurring) insert “of this Part or Subdivision 330-C of the *Income Tax Assessment Act 1995*”.

203. Paragraph 159GJ(2)(c)

After “Divisions” insert “or Subdivision”.

204. Paragraph 159GJ(3)(a)

After "10AAA" (first occurring) insert "of this Part or Subdivision 330-H of the *Income Tax Assessment Act 1995*".

205. Paragraph 159GJ(3)(c)

After "10AAA" (first and third occurring) insert "of this Part or Subdivision 330-H of the *Income Tax Assessment Act 1995*".

206. Paragraph 159GJ(3)(c)

After "that Division" insert "or Subdivision".

207. Paragraph 159GJ(4)(a)

After "under Division 10C or 10D" insert ", or under Division 43 of the *Income Tax Assessment Act 1995*,".

208. Subparagraph 159GJ(4)(b)(i)

Omit "as the case requires", substitute "or under Division 43 of the *Income Tax Assessment Act 1995*".

209. Subparagraph 159GJ(4)(b)(ii)

Omit "under Division 10C or 10D", substitute "under Division 10C or 10D, or under Division 43 of the *Income Tax Assessment Act 1995*,".

210. Sub-subparagraph 159GJ(4)(b)(iii)(B)

Omit "as the case requires", substitute "or undeducted construction expenditure within the meaning of Division 43 of the *Income Tax Assessment Act 1995*".

211. Sub-subparagraph 159GJ(4)(b)(iii)(C)

Omit “as the case requires”, substitute “or under Division 43 of the *Income Tax Assessment Act 1995*”.

212. Paragraph 159GJ(4)(d)

Omit “of Division 10C or 10D” (wherever occurring), substitute “of Division 10C or 10D, or of Division 43 of the *Income Tax Assessment Act 1995*,”.

213. Paragraph 159GL(2)(a)

After “under Division 10C or 10D” insert “, or under Division 43 of the *Income Tax Assessment Act 1995*,”.

214. Subsection 159GT(2)

Omit “section 51”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

215. Section 159GZZJ (paragraph (b) of the definition of *notional writing-down assumptions*)

Omit “sections 79E and 80”, substitute “Division 36 of the *Income Tax Assessment Act 1995*”.

216. Subsection 159GZZT(1)

Before “loss” (first occurring) insert “tax”.

217. Subsection 159GZZT(1)

Omit “paragraph 80G(6)(a)”, substitute “section 170-10 of the *Income Tax Assessment Act 1995*”.

218. Subsection 159GZZT(1)

Omit “that paragraph unless the loss company referred to in subsection 80G(6) was, for the purposes of section 80G, a group company in relation to the income company referred to in subsection 80G(6) in relation to:”, substitute “Subdivision 170-A of that Act, unless the loss company and the income company referred to in that Subdivision were members of the same wholly-owned group (within the meaning of that Act) during the whole or part of each of the following years of income when the companies were in existence (within the meaning of that Act):”.

219. Paragraph 159GZZT(1)(b)

Omit, substitute:

(b) each later year of income before the loss year.

220. Subsection 159GZZT(2)

Omit “subsection 79E(12) or 80(3)”, substitute “section 36-20 of the *Income Tax Assessment Act 1995*”.

221. Subsection 160AF(8) (paragraph (b) of the definition of *net foreign income*)

Omit “subsection 79E(6), 80AA(5B) or 80(2C)”, substitute “section 79DA”.

222. Subsection 160D(3)

Omit “section 19”, substitute “subsections 6-5(2) and 6-10(3) of the *Income Tax Assessment Act 1995*”.

223. Subsection 160L(7)

Omit “paragraph 23(pa)”, substitute “section 330-60 of the *Income Tax Assessment Act 1995*”.

224. Subparagraphs 160Z(9)(b)(i) and (ii)

Omit, substitute:

- (i) the company must calculate its taxable income and tax loss for the year of income under Subdivision 165-B of the *Income Tax Assessment Act 1995*; or
- (ii) Subdivision 175-B of that Act applies to the company in the year of income;

225. Subsection 160Z(9A)

Omit.

226. Subsection 160ZA(8)

Omit “section 25”, substitute “section 6-5 of the *Income Tax Assessment Act 1995*”.

227. Subsection 160ZC(5)

Omit “section 80A or 80DA”, substitute “Subdivision 165-A or 175-A of the *Income Tax Assessment Act 1995*”.

228. Subsection 160ZC(5)

Omit “were a loss”, substitute “were a tax loss”.

229. Subsection 160ZC(5)

Omit “within the meaning of section 79E”.

230. Subsection 160ZC(5)

Omit “that section”, substitute “Division 36 of the *Income Tax Assessment Act 1995*”.

231. Subsection 160ZK(1A)

Omit, substitute:

(1A) The reference in paragraph (1)(a) to any part of the consideration, of the costs or of the expenditure that has been allowed or is allowable as a deduction to the taxpayer in respect of any year of income includes:

- (a) an amount that, apart from subsections 124ZB(4) and 124ZG(5), would have been so allowed or allowable under Division 10C or 10D of Part III of the *Income Tax Assessment Act 1936*; and
- (b) an amount that, apart from paragraph 43-70(2)(h) of the *Income Tax Assessment Act 1995*, would have been so allowed or allowable under Division 43 of that Act.

232. Subsection 160ZM(3A)

After “Part III” insert “or under Division 43 of the *Income Tax Assessment Act 1995*”.

233. Paragraphs 160ZP(9)(a) and (b)

Omit, substitute:

- (a) the loss company must calculate its taxable income and tax loss for the year of income under Subdivision 165-B of the *Income Tax Assessment Act 1995*; or
- (b) Subdivision 175-B of that Act applies to the company in the year of income;

234. Subsection 160ZP(9A)

Omit.

235. Paragraph 160ZZE(a)

Omit, substitute:

- (a) a taxpayer who:
 - (i) is carrying on or has carried on eligible mining operations within the meaning of Subdivision 330-B of the *Income Tax Assessment Act 1995* or has incurred transport capital expenditure within the meaning of Subdivision 330-H of that Act; or
 - (ii) has carried on prescribed mining operations within the meaning of Division 10 of Part III of this Act or prescribed petroleum operations within the meaning of Division 10AA of that Part or has incurred expenditure to which Division 10AAA of that Part applied;

disposes of an asset in respect of which, or in respect of the acquisition of which, the taxpayer has incurred expenditure of a capital nature to which Subdivision 330-A, 330-C or 330-H of the *Income Tax Assessment Act 1995* applies or Division 10, 10AAA or 10AA of Part III of this Act applied; and

236. Subsection 160ZZZB(1)

Omit “subsection 51(1)”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

237. Subsection 160ZZZB(1)

Omit “that subsection”, substitute “that section”.

238. Section 160ZZZG

Omit “section 80G”, substitute “Subdivision 170-A of the *Income Tax Assessment Act 1995*”.

239. After subsection 170(10)

Insert:

(10AA) Nothing in this section prevents the amendment, at any time, of an assessment for the purpose of giving effect to the provisions of section 330-175 or 330-245, or Division 28 or 900, of the *Income Tax Assessment Act 1995*.

240. Subsection 170(13)

Omit all the words from and including “section 50H” to and including “section 105AA”, substitute “sections 165-180 to 165-205 and Division 175 of the *Income Tax Assessment Act 1995* (including those provisions as applied by any other provisions of this Act), section 63B or 105AAA of this Act”.

241. Subsection 221B(4A)

After “2B” insert “to this Act, and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*,”.

242. After subsection 221B(4B)

Insert:

- (4C) The resolution, insofar as it applies to Subdivision GA of Division 3 of Part III and Schedules 2A and 2B in relation to expenses incurred after a particular day, also applies to Divisions 28 and 900 of the *Income Tax Assessment Act 1995* in relation to expenses incurred after that day.
- (4D) The resolution, insofar as it applies to Divisions 28 and 900 of the *Income Tax Assessment Act 1995*, applies in relation to expenses incurred after the day on which the resolution takes effect.

243. Subsection 262A(4AA)

Omit “59AA, 122R, 123F, 124AO or 124W”, substitute “59AA or 124W of this Act or subsection 330-520(4) of the *Income Tax Assessment Act 1995*”.

244. Subsection 262(4AC)

Omit, substitute:

- (4AC) If:
 - (a) subsection 58(1), 73AA(1), 73E(1), 73F(1), 73G(1), 124GA(1), 124JD(1) or 124PA(1) of this Act applies to the disposal of property by the transferor referred to in that subsection to the transferee referred to in that subsection; or

- (b) subsection 41-20(1) of the *Income Tax Assessment Act 1995* applies to the disposal of property by the transferor referred to in section 41-15 of that Act to the transferee referred to in that section;

then:

- (c) the transferor must give to the transferee, within the period specified in subsection (4AD), a notice containing such information about the transferor's holding of the property as will enable the transferee to work out how section 58, 73AA, 73E, 73F, 73G, 124GA, 124JD or 124 PA of this Act or Common Rule 1 in Subdivision 41-A of the *Income Tax Assessment Act 1995* (as appropriate) will apply to the transferee's holding of the property; and
- (d) the transferee must retain the notice, or a copy, until the end of 5 years after the disposal by the person of the property or the loss or destruction of the property (whichever is earlier).

245. After subsection 262A(4AJ)

Insert:

(4AJA) If:

- (a) a person (the ***transferor***) disposes of capital works within the meaning of Division 43 of the *Income Tax Assessment Act 1995*, being capital works begun after 26 February 1992, to another person (the ***transferee***); and

- (b) any person has been allowed or is allowed to claim a deduction under Division 10C or 10D of Part III of the *Income Tax Assessment Act 1936*, or Division 43 of the *Income Tax Assessment Act 1995*, in respect of those capital works;

then:

- (c) the transferor must give the transferee, within 6 months after the end of the income year in which the disposal occurred or within a further period allowed by the Commissioner, a notice containing such information as will allow the transferee to work out how Division 43 of the *Income Tax Assessment Act 1995* will apply to the transferee in respect of the capital works; and
- (d) the transferee must retain the notice or a copy of it until the end of 5 years after the transferee disposes of the capital works or the capital works are destroyed, whichever is the earlier.

246. Paragraph 304(a)

Omit “section 25”, substitute “section 6-5 of the *Income Tax Assessment Act 1995*”.

247. Paragraph 304(b)

After “52” insert “of this Act”.

248. Paragraph 304(c)

Omit “section 51”, substitute “section 8-1 of the *Income Tax Assessment Act 1995*”.

249. Section 317 (definition of *depreciation provision*)

Omit “, or any provision of Divisions 10, 10AAA, 10AA, 10A, 10C and 10D of that Part”, substitute “of this Act, or any provision of Divisions 10, 10AAA, 10AA, 10A, 10C and 10D of that Part, or any provision of Division 43 and Subdivisions 330-A, 330-C and 330-H of the *Income Tax Assessment Act 1995*”.

250. Paragraph 399A(2)(a)

Omit “51 or 63”, substitute “63 of this Act or section 8-1 of the *Income Tax Assessment Act 1995*”.

251. Subsection 399A(5)

Omit “51 or 63”, substitute “63 of this Act or section 8-1 of the *Income Tax Assessment Act 1995*”.

252. Section 427

Omit all the words after “sections” (first occurring), substitute “63CA, 79D and 79DA of this Act and Division 36 and Subdivisions 165-A, 170-A and 175-A of the *Income Tax Assessment Act 1995* (except for the purpose of a reference to any of those provisions in any other provision of this Act, as applied in accordance with this Division) and section 160AFD of this Act are to be disregarded”.

253. Subsection 632(1)

Omit “sections 82, 122N, 123E and 124AN”, substitute “sections 8-10 and 330-590 of the *Income Tax Assessment Act 1995*”.

254. Subsection 632(1)

After “this Act” insert “or the *Income Tax Assessment Act 1995*”.

255. Subsection 632(2)

Omit “70A, 73B, 122J, 122JF or 124AH”, substitute “70A or 73B of this Act or section 330-15 of the *Income Tax Assessment Act 1995*”.

256. Subparagraph 640(2)(b)(iii)

Omit “section 79E, 79F, 80, 80AAA or 80AA”, substitute “Division 36 of the *Income Tax Assessment Act 1995*”.

257. Subsection 642(1)

Omit “sections 82, 122N, 123E and 124AN”, substitute “sections 8-10 and 330-590 of the *Income Tax Assessment Act 1995*”.

258. Subsection 642(1)

After “this Act” insert “or the *Income Tax Assessment Act 1995*”.

259. Subsection 642(2)

Omit “70A, 73B, 122J, 122JF or 124AH”, substitute “70A or 73B of this Act or section 330-15 of the *Income Tax Assessment Act 1995*”.

260. Application of amendments

The amendments made by this Schedule apply to assessments for the 1996-97 year of income and later years of income.

Schedule 2 - Consequential amendments of the *Taxation Administration Act 1953*

Part 1 - Amendments

1. **Section 14ZAAA (paragraph (a) of the definition of “income tax law”)**

After “*Income Tax Assessment Act 1936*” insert “or of the *Income Tax Assessment Act 1995*”.

2. **Section 14ZAAA (paragraph (b) of the definition of “income tax law”)**

Omit “that Act”, substitute “the *Income Tax Assessment Act 1936*”.

3. **After section 14ZAAL**

Insert in Part IVAAA:

14ZAAM Effect on public ruling if tax law re-enacted

If:

- (a) the Commissioner makes a public ruling about a tax law (the *old law*); and
- (b) that tax law is re-enacted or remade (with or without modifications, and whether or not the old law is repealed);

the ruling is taken also to be a public ruling about the tax law as re-enacted or remade (the *new law*), but only so far as the new law expresses the same ideas as the old law.

Note: Ideas in tax laws are not necessarily different just because different forms of words are used. See:

- section 15AC of the *Acts Interpretation Act 1901*; and
- section 1-3 of the *Income Tax Assessment Act 1995*.

4. After section 14ZAX

Insert:

14ZAXA Effect on private ruling if tax law re-enacted

If:

- (a) the Commissioner makes a private ruling about a tax law (the *old law*); and
- (b) that tax law is re-enacted or remade (with or without modifications, and whether or not the old law is repealed);

the ruling is taken also to be a private ruling about the tax law as re-enacted or remade (the *new law*), but only so far as the new law expresses the same ideas as the old law.

Note: Ideas in tax laws are not necessarily different just because different forms of words are used. See:

- section 15AC of the *Acts Interpretation Act 1901*; and
- section 1-3 of the *Income Tax Assessment Act 1995*.

Part 2 - Application and transitional

1. Application of section 14ZAAM

Section 14ZAAM applies to the re-enactment or remaking of a tax law if, and only if, the re-enacted or remade tax law commences at or after the commencement of that section. It applies to a public ruling even if the ruling was made before that commencement.

2. Application of section 14ZAXA

Section 14ZAXA applies to the re-enactment or remaking of a tax law if, and only if, the re-enacted or remade tax law commences at or after the commencement of that section. It applies to a private ruling even if the ruling was made before that commencement.

Schedule 3 - Amendments of other Acts

Administrative Decisions (Judicial Review) Act 1977

1. Paragraph 3(e) of Schedule 1

Under “*Income Tax Assessment Act 1936*” insert “*Income Tax Assessment Act 1995*”.

AUSSAT Repeal Act 1991

2. After subsection 8(2)

Insert:

(2A) AUSSAT cannot deduct from its assessable income for the 1996-97 income year or a later income year, a tax loss (or a part of a tax loss) incurred in an income year ending at or before the transition.

(2B) This section has effect despite anything in the *Income Tax Assessment Act 1995*, in particular, Division 36 of that Act.

3. Subsection 8(3)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

Australian Industry Development Corporation Act 1970

4. Section 29A (definition of *income tax*)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

Schedule 3 - Amendments of other Acts

5. Paragraph 29Z(3)(d)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

6. Section 29ZA

After "that Act" insert "and the *Income Tax Assessment Act 1995*".

7. Subsection 29ZB(1)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

8. Subsection 29ZB(1)

Omit "that Act", substitute "those Acts".

9. Subsection 29ZB(2)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

10. Subsection 29ZB(2)

Omit "that Act", substitute "those Acts".

11. Subsection 29ZB(3)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

Bank Integration Act 1991

12. Subsection 21(3) (paragraph (a) of the definition of tax)

Omit, substitute:

(a) any tax assessed under the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1995*; or

13. Paragraphs 22(2)(a) and (b)

After "*Income Tax Assessment Act 1936*" insert "and the *Income Tax Assessment Act 1995*".

14. Subsections 22(3) and (4)

After "*Income Tax Assessment Act 1936*" insert "and the *Income Tax Assessment Act 1995*".

15. Paragraph 22(4)(c)

Before "losses" insert "tax".

16. Paragraph 22(4)(c)

Omit "that Act", substitute "*Income Tax Assessment Act 1936*".

17. Subsection 22(7)

After "*Income Tax Assessment Act 1936*" insert "and the *Income Tax Assessment Act 1995*".

Bounty and Capitalisation Grants (Textile Yarns) Act 1981

18. Paragraph 3(3)(h)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

Child Support (Assessment) Act 1989

19. Section 5 (definition of year of income)

Omit, substitute:

year of income, in relation to a person, means:

- (a) a year of income (within the meaning of the *Income Tax Assessment Act 1936*); or
- (b) an income year (within the meaning of the *Income Tax Assessment Act 1995*).

20. Sections 38, 45 and 55

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

21. Subsection 56(1)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

22. Subsection 56(1)

Omit "that Act", substitute "either of those Acts".

23. Subsection 56(2)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

24. Subsection 56(2)

Omit "that Act", substitute "either of those Acts".

25. Subsection 56(3)

After "that Act" (first occurring) insert "or the *Income Tax Assessment Act 1995*".

26. Subsection 56(3)

Omit "that Act" (second and third occurring), substitute "either of those Acts".

27. Paragraph 56(4)(b)

After "that Act" insert "or the *Income Tax Assessment Act 1995*".

28. Paragraph 56(5)(a)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

29. Paragraph 56(5)(a)

Omit "that Act", substitute "the *Income Tax Assessment Act 1936*".

30. Subsection 57(1)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

Schedule 3 - Amendments of other Acts

31. Subsection 57(1)

Omit “that Act” (wherever occurring), substitute “either of those Acts”.

32. Paragraph 57(2)(a)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

33. Paragraph 57(2)(a)

Omit “that Act”, substitute “either of those Acts”.

34. Subsection 57(3)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

35. Subsection 57(3)

Omit “that Act”, substitute “the *Income Tax Assessment Act 1936*”.

36. Paragraph 57(3)(a)

Omit “that Act” (wherever occurring), substitute “either of those Acts”.

37. Subsection 57(4)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

38. Subsection 57(4)

Omit “that Act”, substitute “the *Income Tax Assessment Act 1936*”.

39. Paragraph 57(4)(a)

Omit “that Act” (wherever occurring), substitute “the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1995*”.

40. Subsection 57(5)

Omit “that Act”, substitute “the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1995*”.

41. Paragraph 57(8)(b)

Omit “that Act”, substitute “the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1995*”.

42. Paragraph 57(9)(a)

After *Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

43. Paragraph 57(9)(a)

Omit “that Act”, substitute “the *Income Tax Assessment Act 1936*”.

44. Paragraphs 58(1)(a) and (1A)(a)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

Schedule 3 - Amendments of other Acts

45. Paragraph 58(1A)(b)

Omit “that Act”, substitute “the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1995*”.

46. Paragraphs 60(1)(a) and 64(1)(b)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

47. Paragraph 64(1)(b)

Omit “that Act”, substitute “either of those Acts”.

48. Paragraphs 64A(1)(b) and (4)(a)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

49. Paragraph 64A(4)(a)

Omit “that Act”, substitute “either of those Acts”.

50. Paragraph 153(e)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

51. Paragraph 153(e)

Omit “that Act” (first occurring), substitute “either of those Acts”.

52. Paragraph 153(e)

Omit “that Act” (last occurring), substitute “the *Income Tax Assessment Act 1936*”.

Commonwealth Funds Management Limited Act 1990

53. Section 28

After "*Income Tax Assessment Act 1936*" insert "and the *Income Tax Assessment Act 1995*".

Commonwealth Serum Laboratories Act 1961

54. Section 34

After "*Income Tax Assessment Act 1936*" insert "and the *Income Tax Assessment Act 1995*".

Consular Privileges And Immunities Act 1972

55. Subsection 5(4)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

Crimes (Taxation Offences) Act 1980

56. Section 3 (definition of the *Income Tax Assessment Act*)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

Data-Matching Program (Assistance and Tax) Act 1990

57. Subsection 3(1) (definition of *Tax Act*)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

Diplomatic Privileges and Immunities Act 1967

58. Subsection 7(4) convention provides for exemption from tax

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

Financial Corporations (Transfer of Assets and Liabilities) Act 1993

59. Paragraph 10(a)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

60. Section 13

After "*Income Tax Assessment Act 1936*" insert "and the *Income Tax Assessment Act 1995*".

61. Paragraph 15(1)(a)

After "*Income Tax Assessment Act 1936*" insert "or section 6-5 or 6-10 of the *Income Tax Assessment Act 1995*".

62. Paragraph 15(1)(b)

Omit "that Act", substitute "the *Income Tax Assessment Act 1936* or section 8-1 of the *Income Tax Assessment Act 1995*".

63. Subsection 15(2)

After "*Income Tax Assessment Act 1936*" insert "or section 8-1 of the *Income Tax Assessment Act 1995*".

64. Paragraph 15(3)(a)

After "*Income Tax Assessment Act 1936*" insert "or section 6-5 or 6-10 of the *Income Tax Assessment Act 1995*".

65. Paragraph 15(3)(b)

Omit "that Act", substitute "the *Income Tax Assessment Act 1936* or section 8-1 of the *Income Tax Assessment Act 1995*".

66. Paragraph 16(1)(a)

After "*Income Tax Assessment Act 1936*" insert "or section 6-5 or 6-10 of the *Income Tax Assessment Act 1995*".

67. Paragraph 16(1)(b)

Omit "that Act", substitute "the *Income Tax Assessment Act 1936* or section 8-1 of the *Income Tax Assessment Act 1995*".

68. Subsection 16(2)

After "*Income Tax Assessment Act 1936*" insert "or section 6-5 or 6-10 of the *Income Tax Assessment Act 1995*".

69. Paragraph 16(3)(a)

After "*Income Tax Assessment Act 1936*" insert "or section 6-5 or 6-10 of the *Income Tax Assessment Act 1995*".

70. Paragraph 16(3)(b)

Omit "that Act", substitute "the *Income Tax Assessment Act 1936* or section 8-1 of the *Income Tax Assessment Act 1995*".

Schedule 3 - Amendments of other Acts

71. Subparagraph 17(1)(b)(i)

After "*Income Tax Assessment Act 1936*" insert "or section 6-5 or 6-10 of the *Income Tax Assessment Act 1995*".

72. Subparagraph 17(1)(b)(ii)

After "*Income Tax Assessment Act 1936*" insert "or section 8-1 of the *Income Tax Assessment Act 1995*".

73. Subsection 17(1)

Omit "that Act has", substitute "those Acts have".

74. Paragraphs 17(2)(b) and 21(1)(d)

After "*Income Tax Assessment Act 1936*" insert "or section 8-1 of the *Income Tax Assessment Act 1995*".

75. Paragraph 21(2)(c)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

76. Paragraph 21(2)(d)

After "*Income Tax Assessment Act 1936*" insert "or section 8-1 of the *Income Tax Assessment Act 1995*".

Fringe Benefits Tax Assessment Act 1986

77. Subparagraph 19(1)(b)(i)

Omit "have been allowable to the recipient under that Act", substitute "and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*, have been allowable to the recipient under either of those Acts".

78. Subparagraph 19(1)(b)(ii)

Omit “that Act” (wherever occurring), substitute “the *Income Tax Assessment Act 1936*”.

79. Subparagraph 19(1)(ba)(ii)

Omit “and G of Division 3 of Part III, of the *Income Tax Assessment Act 1936*,” substitute “, GA and G of Division 3 of Part III, of the *Income Tax Assessment Act 1936*, and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*,”.

80. Subparagraph 19(1)(ba)(ii)

Omit “under that Act”, substitute “under either of those Acts”.

81. Sub-subparagraph 19(1)(ba)(ii)(B)

Omit “that Act” (wherever occurring), substitute “the *Income Tax Assessment Act 1936*”.

82. Paragraph 19(2)(b)

Omit “car expense within the meaning of Subdivision F of Division 3 of Part III of the *Income Tax Assessment Act 1936*”, substitute “Division 28 car expense”.

83. Paragraph 22(a)

Omit “car expense, as defined by section 11-2 of Schedule 2A to the *Income Tax Assessment Act 1936*,” substitute “Division 28 car expense”.

84. Subparagraph 24(1)(b)(iii)

Omit “have been allowable to the recipient under that Act”, substitute “and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*, have been allowable to the recipient under either of those Acts”.

85. Subparagraph 24(1)(b)(iv)

Omit “that Act” (wherever occurring), substitute “the *Income Tax Assessment Act 1936*”.

86. Subparagraph 24(1)(ba)(ii)

Omit “and G of Division 3 of Part III, of the *Income Tax Assessment Act 1936*,”, substitute “, GA and G of Division 3 of Part III, of the *Income Tax Assessment Act 1936*, and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*,”.

87. Subparagraph 24(1)(ba)(ii)

Omit “under that Act”, substitute “under either of those Acts”.

88. Sub-subparagraph 24(1)(ba)(ii)(B)

Omit “that Act” (wherever occurring), substitute “the *Income Tax Assessment Act 1936*”.

89. Paragraph 34(1)(b)

Omit “have been allowable to the recipient under that Act”, substitute “and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*, have been allowable to the recipient under either of those Acts”.

90. Subparagraph 34(1)(ba)(ii)

Omit “Subdivision F of Division 3 of Part III, of the *Income Tax Assessment Act 1936*, have been allowable as a once-only deduction to the recipient under that Act”, substitute “Subdivisions F and GA of Division 3 of Part III, of the *Income Tax Assessment Act 1936*, and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*, have been allowable as a once-only deduction to the recipient under either of those Acts”.

91. Paragraph 37(b)

Omit “have been allowable to the recipient under section 51 of that Act”, substitute “and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*, have been allowable to the recipient under section 51 of the *Income Tax Assessment Act 1936*, or section 8-1 of the *Income Tax Assessment Act 1995*,”.

92. Subparagraph 37(c)(ii)

Omit “Subdivision F of Division 3 of Part III, of the *Income Tax Assessment Act 1936*, have been allowable to the recipient under section 51 of that Act”, substitute “Subdivisions F and GA of Division 3 of Part III, of the *Income Tax Assessment Act 1936*, and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*, have been allowable to the recipient under section 51 of the *Income Tax Assessment Act 1936*, or section 8-1 of the *Income Tax Assessment Act 1995*,”.

93. Subparagraph 44(1)(b)(i)

Omit “have been allowable to the recipient under that Act”, substitute “and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*, have been allowable to the recipient under either of those Acts”.

Schedule 3 - Amendments of other Acts

94. Subparagraph 44(1)(b)(ii)

Omit “that Act”, substitute “the *Income Tax Assessment Act 1936*”.

95. Subparagraph 44(1)(ba)(ii)

After “1936,” insert “and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*”.

96. Subparagraph 44(1)(ba)(ii)

Omit “under that Act”, substitute “under either of those Acts”.

97. Sub-subparagraph 44(1)(ba)(ii)(B)

Omit “that Act”, substitute “the *Income Tax Assessment Act 1936*”.

98. Subparagraph 52(1)(b)(i)

Omit “have been allowable to the recipient under that Act”, substitute “and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*, have been allowable to the recipient under either of those Acts”.

99. Subparagraph 52(1)(b)(ii)

Omit “that Act”, substitute “the *Income Tax Assessment Act 1936*”.

100. Subparagraph 52(1)(ba)(ii)

After “1936,” insert “and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*”.

101. Subparagraph 52(1)(ba)(ii)

Omit “under that Act in respect of so much of that consideration as was taken into account for the purposes of section 48, 49, 50 or 51”, substitute “under either of those Acts in respect of so much of that consideration as was taken into account for the purposes of section 48, 49, 50 or 51 of the *Income Tax Assessment Act 1936*, or section 4-15 or 8-1 of the *Income Tax Assessment Act 1995*,”.

102. Sub-subparagraph 52(1)(ba)(ii)(B)

Omit “that Act”, substitute “the *Income Tax Assessment Act 1936*”.

103. Subparagraph 52(1)(ba)(ii)

After “51” insert “of that Act or section 4-15 or 8-1 of the *Income Tax Assessment Act 1995*”.

104. Subparagraphs 58A(c)(i), 58F(c)(i) and 58M(2)(c)(i)

Omit “car expense, as defined by section 11-2 of Schedule 2A to the *Income Tax Assessment Act 1936*,”, substitute “Division 28 car expense”.

105. Sub-subparagraph 60A(2)(b)(i)(A)

Omit “car expense, as defined by section 11-2 of Schedule 2A to the *Income Tax Assessment Act 1936*,”, substitute “Division 28 car expense”.

106. Subparagraphs 61(1)(c)(i) and 61A(2)(a)(i)

Omit “car expense, as defined by section 11-2 of Schedule 2A to the *Income Tax Assessment Act 1936*,”, substitute “Division 28 car expense”.

107. Paragraphs 61B(b), 61E(b) and 61F(b)

Omit “car expense, as defined by section 11-2 of Schedule 2A to the *Income Tax Assessment Act 1936*,” substitute “Division 28 car expense”.

108. Subsection 136(1) (definition of *car expense payment benefit*)

Omit “car expense as defined by section 11-2 of Schedule 2A to the *Income Tax Assessment Act 1936*”, substitute “Division 28 car expense”.

109. Subsection 136(1) (paragraph (b) of the definition of *car loan benefit*)

Omit “car expense as defined by section 11-2 of Schedule 2A to the *Income Tax Assessment Act 1936*”, substitute “Division 28 car expense”.

110. Subsection 136(1) (definitions of *car property benefit* and *car residual benefit*)

Omit “car expense as defined by section 11-2 of Schedule 2A to the *Income Tax Assessment Act 1936*”, substitute “Division 28 car expense”.

111. Subsection 136(1) (definition of *deductible expenses*)

Omit “would be, allowable to the employee under section 51 of that Act”, substitute “and Divisions 28 and 900 of the *Income Tax Assessment Act 1995*, would be, allowable to the employee under section 51 of the *Income Tax Assessment Act 1936* or section 8-1 of the *Income Tax Assessment Act 1995*”.

112. Section 136(1) (paragraph (b) of the definition of *non-deductible entertainment expenditure*)

After “that Act” insert “or section 8-1 of the *Income Tax Assessment Act 1995*”.

113. Section 136(1) (definitions of *basic car rate*, *documentary evidence* and *year of income*)

Omit, substitute:

basic car rate, in relation to a year of tax ending on 31 March in a year, means the rate prescribed for the purposes of:

- (a) if the year of tax ended on or after 31 March 1997—section 28-25 of the *Income Tax Assessment Act 1995*; or
- (b) if the year of tax ended on 31 March 1995 or 31 March 1996—section 3-2 of Schedule 2A to the *Income Tax Assessment Act 1936*; or
- (c) if the year of tax ended before or on 31 March 1994—paragraph 82KX(1)(a) of the *Income Tax Assessment Act 1936*;

in relation to the year of income ending on 30 June in that year.

documentary evidence, in relation to an expense incurred by a person, means:

- (a) if the expense was incurred on or after 1 July 1996—a document that would constitute written evidence of the expense obtained in a way described in Subdivision 900-E of the *Income Tax Assessment*

Act 1995 if the expense were a work expense, and Division 900 of that Act applied to the person; or

- (b) if the expense was incurred on or after 1 July 1994 and before 1 July 1996—a document that would constitute written evidence of the expense obtained in a way described in Division 5 of Schedule 2B to the *Income Tax Assessment Act 1936* if the expense were a work expense, and that Schedule applied to the person; or
- (c) if the expense was incurred before 1 July 1994—a document that would constitute documentary evidence of the expense within the meaning of subsection 82KU(1) of the *Income Tax Assessment Act 1936* (including that subsection as applied by subsections 82KU(3) and (4) of that Act) or subsection 82KU(5) of that Act if the person were a taxpayer within the meaning of that Act.

year of income means:

- (a) a year of income (within the meaning of the *Income Tax Assessment Act 1936*); or
- (b) an income year (within the meaning of the *Income Tax Assessment Act 1995*).

114. Subsection 136(1)

Insert:

Division 28 car expense means a car expense as defined in section 28-13 of the *Income Tax Assessment Act 1995*, but does not include a car expense covered by section 28-165 of that Act.

Insurance (Agents and Brokers) Act 1984

115. Section 9 (paragraph (b) of the definition of *accounting period*)

After “*Income Tax Assessment Act 1936*” insert “or as an income year for the purposes of the *Income Tax Assessment Act 1995*”.

International Tax Agreements Act 1953

116. Section 3 (definition of *the Assessment Act*)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

Military Superannuation And Benefits Act 1991

117. Section 24

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

Parliamentary Contributory Superannuation Act 1948

118. Section 21B (definition of *assessable income*)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

119. Section 21B (paragraph (c) of the definition of *hypothetical taxpayer*)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

120. Section 21B (paragraphs (d) and (e) of the definition of *hypothetical taxpayer*)

Omit “that Act”, substitute “either of those Acts”.

121. Section 21B (definition of *income tax*)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

122. Section 21B (definition of *taxable income*)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

123. Section 21B (definition of *year of income*)

Omit, substitute:

year of income means:

- (a) a year of income (within the meaning of the *Income Tax Assessment Act 1936*); or
- (b) an income year (within the meaning of the *Income Tax Assessment Act 1995*).

Petroleum Resource Rent Tax Assessment Act 1987

124. Paragraph 44(h)

After “*Income Tax Assessment Act 1936*” insert “, the *Income Tax Assessment Act 1995*”.

Pooled Development Funds Act 1992

125. Paragraph 14(1)(l)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

Snowy Mountains Engineering Corporation Act 1970

126. Section 39Q

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

Snowy Mountains Engineering Corporation Limited Sale Act 1993

127. After subsection 37(2)

Insert:

- (2A) SMEC cannot deduct in the 1996-97 income year or a later income year, a tax loss incurred in an income year ending before the income year in which the sale day occurs.
- (2B) This section has effect despite anything in the *Income Tax Assessment Act 1995* and, in particular, Division 36 and Subdivision 195-A of that Act.

128. Subsection 37(3)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

129. Subsection 37(3)

Omit “that Act”, substitute “those Acts”.

Social Security Act 1991

130. Subsection 23(1) (definition *Income Tax Assessment Act*)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

131. Paragraph 1072C(1)(a)

After “section 51” insert “or 8-1”.

132. Paragraphs 1072C(1)(b) and (c)

Omit “that Act”, substitute “the *Income Tax Assessment Act 1936*”.

Stevedoring Industry Charge Assessment Act 1947

133. After paragraph 27(3D)(a)

Insert:

(aa) the *Income Tax Assessment Act 1995*;

Student And Youth Assistance Act 1973

134. Paragraph 44A(2)(c)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

135. Paragraph 176(1)(a)

Omit “Income Tax Assessment Act”, substitute “*Income Tax Assessment Act 1936* or section 8-1 of the *Income Tax Assessment Act 1995*”.

136. Paragraphs 176(1)(b) and (c)

Omit “that Act”, substitute “the *Income Tax Assessment Act 1936*”.

137. Clause F9 of Schedule 1

Omit “subsection 6(1) of the *Income Tax Assessment Act*”, substitute “section 4-15 of the *Income Tax Assessment Act 1995*”.

Superannuation Act 1976

138. Subsections 42(5) & (5A)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

139. Sections 155C, 242 and 250

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

Superannuation Act 1990

140. Subsection 26(1)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

141. Sections 33F and 49

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

Superannuation Industry (Supervision) Act 1993

142. Section 10 (definition of *Income Tax Assessment Act*)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

Taxation (Interest on Overpayments and Early Payments) Act 1983

143. Section 3 (definition of *Tax Act*)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

Taxation (Unpaid Company Tax) Assessment Act 1982

144. Section 3 (definition of *Assessment Act*)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

Telecommunications Act 1991

145. Subsection 87(1)

Omit "*Income Tax Assessment Act 1936*", substitute "*Income Tax Assessment Act 1995*".

Trust Recoupment Tax Assessment Act 1985

146. Section 3 (definition of *Assessment Act*)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

Veterans' Entitlements Act 1986

147. Subsection 5Q(1) (definition of *Income Tax Assessment Act*)

After "*Income Tax Assessment Act 1936*" insert "or the *Income Tax Assessment Act 1995*".

148. Subsection 5Q(1) (definition of *tax year*)

Omit, substitute:

tax year means:

- (a) a year of income (within the meaning of the *Income Tax Assessment Act 1936*); or
- (b) an income year (within the meaning of the *Income Tax Assessment Act 1995*);

149. Paragraph 45ZM(1)(a)

After "section 51" insert "or 8-1".

150. Paragraphs 45ZM(1)(b) and (c)

Omit "that Act", substitute "the *Income Tax Assessment Act 1936*".

Schedule 3 - Amendments of other Acts

151. Subparagraph 128A(4)(a)(i)

After “*Income Tax Assessment Act 1936*” insert “or the *Income Tax Assessment Act 1995*”.

Wool International Act 1993

152. Section 78

After “*Income Tax Assessment Act 1936*” insert “and the *Income Tax Assessment Act 1995*”.

NOTE ABOUT SECTION HEADINGS

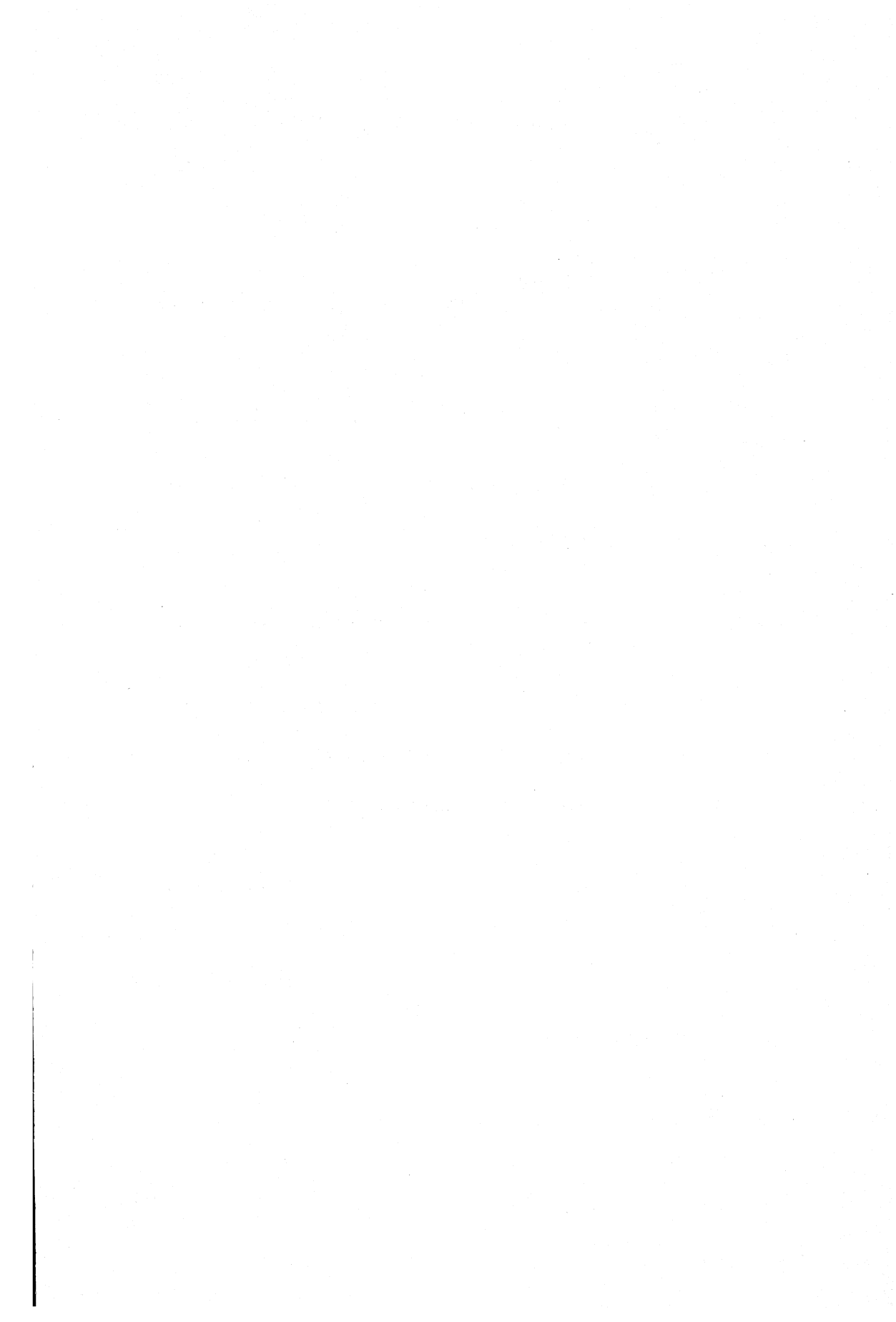
These tables change some section headings in Acts amended by this Act.

Income Tax Assessment Act 1936

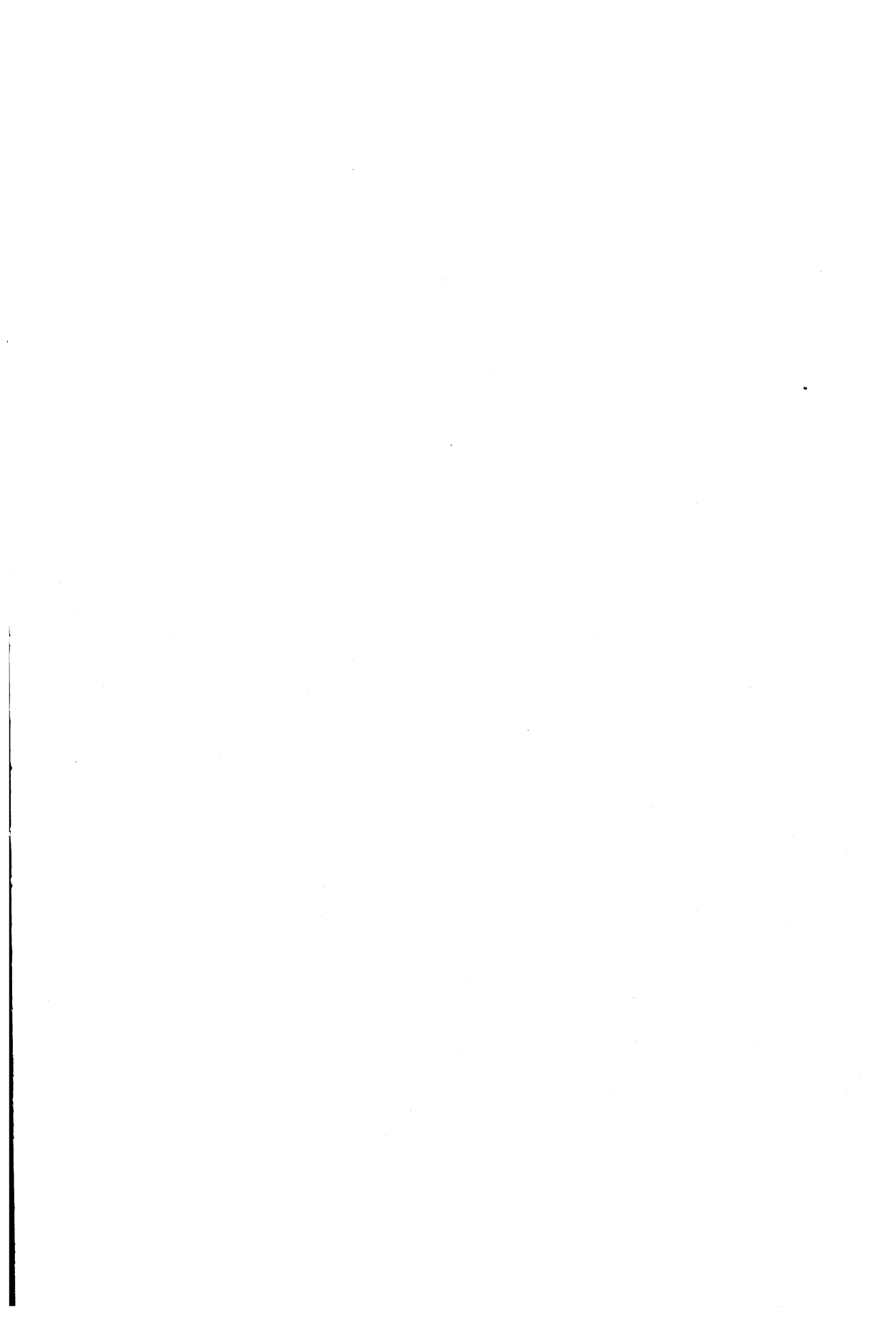
Item	The heading to this section:	is replaced with this heading:
1.	79E	General domestic losses of 1989-90 to 1995-96 years of income
2.	79F	Film losses of 1989-90 to 1995-96 years of income

Banking Integration Act 1991

Item	The heading to this section:	is replaced with this heading:
1.	22	Application of the Income Tax Assessment Acts









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