## IT 2127 (as amended 12/9/85) - Supplementary trust stripping settlement guidelines : sub-section 226(1) penalty

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SUPPLEMENTARY TRUST STRIPPING SETTLEMENT GUIDELINES : SUB-SECTION 226(1) PENALTY

F.O.I. EMBARGO: May be released

REF H.O. REF: J 209/103 P13 F227 DATE OF EFFECT:

B.O. REF: PER : J 36/243/1 DATE ORIG. MEMO ISSUED: 26.11.84
MELB: VJ 192/20
SYD : 13/DIRC/AF 4064/6/2
PARR: A 48/5/18
BRIS: 5/IT.COR 67H
ADEL: M 336/4/71
HOB : G3/H32/1/12
ACT : 04/GTA 4/11

F.O.I. INDEX DETAIL

REFERENCE NO: SUBJECT REFS: LEGISLAT. REFS: I 1122238 INCOME TAX AVOIDANCE 222 TRUST STRIPPING SETTLEMENT GUIDELINES

- PREAMBLE This ruling is to be read in conjunction with Taxation Rulings Nos. IT 2100, 2106 and 2126.
- RULING 2. Where settlement is sought in accordance with the above Taxation Rulings, settlement offers on the basis of remission of sub-section 226(1) additional tax may be accepted.

3. Provided taxpayers seeking to take advantage of the settlement terms, are co-operative and promptly lodge returns and supply any information required, sub-section 226(1) additional tax will be remitted in a manner consistent with the settlement guidelines applicable to the remission of sub-section 226(2) penalty.

4. Where a taxpayer subject to sub-section 226(1) penalty is liable to tax in respect of income which includes non-trust-strip income sufficient, of itself, to require the lodgment of a return, remission of the statutory penalty under this ruling, in a settlement context, will not extend to any part of the penalty based on the non-trust-strip income.

COMMISSIONER OF TAXATION 18 December 1984

Amendments from 14.12.84 repealed sub-section 226(1) in its place introduced section 222  $\,$