IT 252A - Addendum - Deduction for cost of electricity extension

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Australian
Taxation
Office

TAXATION RULING IT 252

ADDENDUM

F.O.I. EMBARGO: may be released

Taxation Ruling IT 252 is amended by the addition of the following;

> 'Where capital expenditure has been incurred in terms of section 75B of the *Income Tax Assessment Act 1936* on conserving and conveying water for use in a business of primary production prior to 20 September 1985, an income tax deduction is allowable in the year in which the expenditure was incurred. Expenditure incurred on or after 20 September 1985 is deductible evenly over three years, i.e. the year in which the expenditure is incurred and the two succeeding years.'

> 'A deduction is allowable for capital expenditure that has been incurred in terms of section 70A of the *Income Tax Assessment Act 1936* in connecting mains electricity to a property on which a business of primary production is carried on or in upgrading an existing connection to such a property. Where the expenditure was incurred on or before 25 May 1988, an income tax deduction is allowable in the year in which the expenditure was incurred. Expenditure incurred after 25 May 1988 is deductible evenly over ten years, i.e. the year in which the expenditure is incurred and the nine succeeding years.'

Commissioner of Taxation

1/9/94

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