



***TD 2004/62A - Addendum - Income tax: consolidation tax cost setting rules: how does subsection 701-30(2) of the Income Tax (Transitional Provisions) Act 1997 modify the step 3 amount under section 705-90 of the Income Tax Assessment Act 1997?***

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## Addendum

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### Taxation Determination

Income tax: consolidation tax cost setting rules: how does subsection 701-30(2) of the *Income Tax (Transitional Provisions) Act 1997* modify the step 3 amount under section 705-90 of the *Income Tax Assessment Act 1997*?

This Addendum amends Taxation Determination TD 2004/62 to reflect the repeal of paragraph 705-90(6)(b) of the *Income Tax Assessment Act 1997* by the *Tax Laws Amendment (2004 Measures No. 7) Act 2005* (41 of 2005) by deleting references to the repealed paragraph and correcting references to renumbered paragraph 705-90(6)(a) (now subsection 705-90(6)). In addition, a sentence that described the operation of the repealed provision has been deleted.

#### TD 2004/62 is amended as follows:

**1. Paragraph 1**

- (a) Omit the first reference to 'paragraph 705-90(6)(a)'; substitute 'subsection 705-90(6)'.
- (b) Omit 'The paragraph 705-90(6)(a) amount is then reduced under paragraph 705-90(6)(b) to the extent that the undistributed profits recouped a loss for income tax purposes that accrued to the group.'

**2. Paragraph 2**

Omit 'subsections 705-90(3), (4) and (6)(b)'; substitute 'subsections 705-90(3) and (4)'.

**3. Paragraph 6**

- (a) In Table 2, at 'Step 3' omit:  
paragraph 705-90(6)(a)

substitute:

subsection 705-90(6)

# TD 2004/62

(b) In Table 2, at 'Step 3' omit:

*Less*

- paragraph 705-90(6)(b) extent to which subsection 705-90(6)(a) amount includes profits accrued to joined group that recouped losses accrued to group: (0) (0)

#### 4. Paragraph 7

Omit 'paragraph 705-90(6)(a)'; substitute 'subsection 705-90(6)'.

#### 5. Legislative References:

- (a) Omit 'ITAA 1997 705-90(6)(a)'; substitute 'ITAA 1997 705-90(6)'.
- (b) Omit 'ITAA 1997 705-90(6)(b)'.

This Addendum applies on and from 1 July 2002.

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**Commissioner of Taxation**

16 August 2006

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ATO references

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