

TR 96/5A - Addendum - Income tax: take or pay contracts

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Addendum: Income tax: take or pay contracts

*This Addendum forms part of the Ruling and, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the **Taxation Administration Act 1953**, it is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Ruling is a public ruling and how it is binding on the Commissioner.*

The Tax Law Improvement Project is restructuring, renumbering and rewriting the income tax law in plain language. The Parliament is amending the income tax law progressively to reflect these aims. As new laws come into effect, Taxation Rulings about old laws are being brought into line with them.

This Addendum amends Taxation Ruling TR 96/5, in relation to the 1997-98 or a later income year, as follows:

1. Paragraph 2

Omit 'prescribed mining operations, eligible quarrying operations and prescribed petroleum operations as defined in subsections 122(1), 122JB(1) and 124(1), respectively, of the *Income Tax Assessment Act 1936* ("the Act"); substitute 'eligible mining or quarrying operations as defined in section 330-30 of the *Income Tax Assessment Act 1997* ('the new Act')'.

2. Paragraph 21

Omit the paragraph; substitute:

21. 'The relevant subsection of the new Act is section 6-5 which provides, as far as is relevant, for the assessable income of a resident taxpayer to include the ordinary income derived directly or indirectly from all sources, whether in or out of Australia, during the income year. The words 'ordinary income derived' are the crucial words in this case as it is necessary to calculate the quantum of 'ordinary income derived' for each of the years of income of the contract.'

Taxation Ruling

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Commissioner of Taxation

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