



**Australian
Taxation
Office**

TAXATION RULING IT 2105

Motor vehicle depreciation limit - lease finance companies - finance or actuarial method of accounting for lease income

NOTICE OF WITHDRAWAL

F.O.I. EMBARGO: may be released

Taxation Ruling IT 2105 is no longer current and is therefore withdrawn.

By virtue of Taxation Ruling IT 2594, the assessable income from all chattel leasing transactions entered into from 1 July 1990 must be calculated on the asset method. The finance or actuarial method of calculating assessable income is not acceptable for chattel leasing transactions, including transactions involving motor vehicles subject to section 57AF of the *Income Tax Assessment Act 1936*, entered into on or after that date.

The Full Federal Court in *FC of T v Citibank Limited & Ors* 93 ATC 4691; (1993) 26 ATR 423, held that the finance or actuarial method of returning chattel lease income is incorrect for income tax purposes.

Commissioner of Taxation

25 June 1997

[ATO Ref:](#) NAT 97/1896-6

ISSN 0813 - 3662