


# ***IT 2254A - Addendum - Income tax: instalment purchase and depreciation on non-residential buildings***

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## TAXATION RULING IT 2254

### **Income tax: instalment purchase and depreciation on non-residential buildings**

#### **ADDENDUM**

F.O.I. EMBARGO: may be released

*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 IT 2254, in relation to the 1997-98 or a later income year, as follows:

#### **1. Paragraph 1**

- (a) Omit 'Division 10D of the *Income Tax Assessment Act 1936* provides income tax deductions for qualifying capital expenditure on the construction, extension or alteration of certain non-residential buildings.'; substitute 'Division 43 of the *Income Tax Assessment Act 1997* provides income tax deductions for capital expenditure incurred in respect of the construction of capital works. This Ruling applies to certain income-producing non-residential buildings.';
- (b) Omit 'extension or alteration' from the final sentence.

#### **2. Paragraph 2**

Omit 'qualifying expenditure'; substitute 'relevant capital expenditure'.

#### **3. Paragraph 3**

- (a) Omit 'the owner of the building'; substitute 'owners and certain lessees of capital works, and certain holders of quasi-ownership rights over land on which capital works are constructed';
- (b) Omit 'However, in some circumstances, a lessee is deemed to be the owner and becomes entitled to claim the deduction.'.



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**4. Paragraphs 6, 7 and 8**

Omit 'Division 10D' (wherever occurring); substitute 'Division 43'.

**5. Paragraph 7**

- (a) Omit 'section 124ZH'; substitute 'sections 43-10 and 43-115';
- (b) Omit 'qualifying'; substitute 'relevant'.

**6. After paragraph 8**

Insert:

**'Note:** Division 43 of the *Income Tax Assessment Act 1997*, to which this Ruling refers, expresses the same ideas as Division 10D of the *Income Tax Assessment Act 1936*.'

**Commissioner of Taxation**

4 March 1998

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