

IT 228 - Forced disposal of livestock

⚠ This cover sheet is provided for information only. It does not form part of *IT 228 - Forced disposal of livestock*

⚠ This ruling contains references to repealed provisions, some of which may have been rewritten. The ruling still has effect. Paragraph 32 in [TR 2006/10](#) provides further guidance on the status and binding effect of public rulings where the law has been repealed or repealed and rewritten. The legislative references at the end of the ruling indicate the repealed provisions and, where applicable, the rewritten provisions.

TAXATION RULING NO. IT 228

FORCED DISPOSAL OF LIVESTOCK

F.O.I. EMBARGO: May be released

REF

H.O. REF: J.85/122 P5 F75

DATE OF EFFECT:

B.O. REF:

DATE ORIG. MEMO ISSUED: 21.04.82

F.O.I. INDEX DETAIL

REFERENCE NO:

SUBJECT REFS:

LEGISLAT. REFS:

I 1102634

LIVESTOCK
FORCED DISPOSAL
COMPULSORY DESTRUCTION
SHEEP-FOOTROT AFFECTED
COMPENSATION

36AA
36AAA

OTHER RULING ON TOPIC

IT 227

PREAMBLE

Taxation Ruling IT 227 dealt with the application of sections 36AA and 36AAA of the Income Tax Assessment Act to the proceeds arising from the sale of sheep affected with footrot disease. It was stated that, where State and Territory laws governing the control of stock diseases have provisions similar to those applying in Victoria and South Australia which empower the Minister to require sheep in quarantine by reason of footrot to be sold for slaughter and sheep are sold in terms of the relevant provisions, sections 36AA or 36AAA may be applied to the proceeds of sale.

RULING

2. It has been ascertained that the relevant stock diseases laws in all States and Territories other than Queensland contain provisions for or in relation to the compulsory destruction of sheep affected by footrot. Paragraph 2 of the earlier memorandum is, therefore, modified to the extent that legislation in New South Wales does in fact provide for the issue of destocking orders in respect of sheep affected by footrot, but only in a prescribed area, i.e. the North and North East of the State (known as the New England Protected Area for Footrot in Sheep).

3. It has been further ascertained that it is very rare for the power vesting in Ministers to be used. What usually happens is that when the disease reaches certain proportions the property and affected sheep are placed in quarantine and an appropriate official such as a district veterinary officer of a State Agriculture Department makes recommendations as to the course of treatment. In many cases it is recommended that sale for slaughter is the only practicable means of dealing with the problem.

4. In the circumstances, when considering elections made in respect of income arising from the disposal of footrot affected sheep, it will be necessary to examine each case on its

merits. Where sheep officially quarantined because of footrot are sold direct to an abattoir for slaughter on the advice of a district veterinary officer or other appropriate official as the most effective means of eradicating the disease, sections 36AA or 36AAA may be applied to the proceeds of the sale for slaughter.

COMMISSIONER OF TAXATION

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