

IT 2446W - Notice of Withdrawal - Income tax: foreign tax credit system: allowable deductions referable to foreign income



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Notice of Withdrawal

Taxation Ruling No. IT 2446

Income tax: foreign tax credit system: allowable deductions referable to foreign income

Taxation Ruling IT 2446 is withdrawn with effect from today.

1. Taxation Ruling IT 2446 is concerned with a matter relevant to the operation of the general foreign tax credit system (FTCS) of double taxation relief contained in Division 18 of Part III of the *Income Tax Assessment Act 1936* (ITAA 1936). It deals with the practical application of various provisions of the ITAA 1936 which set out the basis for the allocation to foreign income derived by a taxpayer in a year of income of deductions allowed or allowable from assessable income.
2. The provisions of the ITAA 1936 which are primarily the subject of this Ruling have all been repealed. Subsection 51(6) of the ITAA 1936 was repealed by the *Taxation Laws Amendment Act (No. 2) 1988* with effect from 1 July 1988 and section 80 of the ITAA 1936 was repealed by the *Tax Laws Amendment (Repeal of Inoperative Provisions) Act 2006*. The foreign tax credit system contained in Division 18 of Part III of the ITAA 1936 was repealed, by *Tax Laws Amendment (2007 Measures No. 4) Act 2007*, with effect from 24 September 2007, applicable in relation to income years, statutory accounting periods and notional accounting periods starting on or after 1 July 2008.
3. The new Foreign Income Tax Offset system contained in Division 770 of the *Income Tax Assessment Act 1997* applies from 1 July 2008. Guidance on how the new Foreign Income Tax Offset system operates is contained in publications on international tax, available on the Tax Office website at www.ato.gov.au. See for example the *Guide to Foreign Income Tax Offset rules 2009-10* NAT 72923.
4. Accordingly, IT 2446 is no longer current and is therefore withdrawn.

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ATO references

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ATOlaw topic: Income Tax ~~ Tax offsets, credits and benefits ~~ foreign
tax credits
Income Tax ~~ Assessable income ~~ business and
professional income - foreign sourced