



## TAXATION RULING IT 2660

### Income tax: definition of royalties

#### 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 2660 as follows:

1. **Paragraph 1**

- (a) Omit 'definition of "royalty" and "royalties" in subsection 6(1) of the *Income Tax Assessment Act 1936*'; substitute 'definition of *royalty* in subsection 995-1(1) of the *Income Tax Assessment Act 1997*';
- (b) Omit '*Income Tax (International Agreements) Act 1953*'; substitute '*International Tax Agreements Act 1953*'.

2. **Paragraph 2**

Before 'The definition of "royalty"', insert 'By subsection 995-1(1), *royalty* has the meaning given by subsection 6(1) of the *Income Tax Assessment Act 1936* ('the old Act').'

3. **Paragraph 3**

- (a) Omit 'section 6C, paragraph 26(f) and Division 3B of Part VI.'; substitute 'section 15-20 (formerly paragraph 26(f) of the old Act) and Division 765 and for the purposes of section 6C of the old Act.'.
- (b) Omit the second sentence.

4. **Paragraph 6**

- (a) Omit 'Assessment Act'; substitute 'old Act';
- (b) Omit '*Income Tax (International Agreements) Act*'; substitute '*International Tax Agreements Act 1953*'.

**Commissioner of Taxation**

9 July 1997

ATO Ref: NAT 97/5088-6

ISSN 0813 - 3662