



# ***IT 363 - Mining company : application of Division 10 to principal and sub-contractors engaged in mining operations***

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There is an [Addendum notice](#) for this document.

There is an [Addendum \(2\) notice](#) for this document.

 This ruling contains references to repealed provisions, some of which may have been rewritten.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in [TR 2006/10](#) provides further guidance on the status and binding effect of public rulings where the law has been repealed or repealed and rewritten. The legislative references at the end of the ruling indicate the repealed provisions and, where applicable, the rewritten provisions.

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TAXATION RULING NO. IT 363

MINING COMPANY : APPLICATION OF DIVISION 10 TO  
PRINCIPAL AND SUB-CONTRACTORS ENGAGED IN MINING  
OPERATIONS

F.O.I. EMBARGO: May be released

REF

H.O. REF: 74/6094 F31

B.O. REF:

DATE ORIG. MEMO ISSUED: 18.12.74

F.O.I. INDEX DETAIL

REFERENCE NO:

SUBJECT REFS:

LEGISLAT. REFS:

I 1071064

MINING COMPANY -  
CONTRACTORS

DIVISION 10  
122

PREAMBLE

Consideration was given to the ascertainment of entitlement to Division 10 deductions where a transport company subcontracted to provide all cartage (including the removal of overburden and transport of ore) for the principal contractor who is engaged in mining operations.

RULING

2. It is accepted that the company is entitled to Division 10 deductions in respect of its operations at the mine.

3. In C.I.T.C.M. 667, paragraphs 10 and 11, the deductions provided by the then Division 10 were expressed not to be restricted to mine owners and lessees but to extend to contractors who carry out the operations on the mining property for the recovery of the deposit being sought. This interpretation was consistent with the terminology of the Division which operated where a person incurred relevant expenditure in connexion with the carrying on by him of mining operations upon a mining property. There was no inbuilt restriction limiting the operation of the Division to mine owners or lessees - rather it applied to operations rather than to persons.

COMMISSIONER OF TAXATION