



***TD 2004/53A - Addendum - Income tax: consolidation tax cost setting rules: are distributions paid up a chain of entities sourced from profits in a lower-tier entity that did not accrue to the joined group added at step 3 of the entry allocable cost amount of the higher-tier entity?***

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## Addendum

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### Taxation Determination

Income tax: consolidation tax cost setting rules: are distributions paid up a chain of entities sourced from profits in a lower-tier entity that did not accrue to the joined group added at step 3 of the entry allocable cost amount of the higher-tier entity?

This Addendum amends Taxation Determination TD 2004/53 to reflect the repeal of paragraph 705-90(6)(b) of the *Income Tax Assessment Act 1997* by the *Tax Laws Amendment (2004 Measures No. 7) Act 2005* (41 of 2005), by deleting references to the repealed paragraph and correcting references to renumbered paragraph 705-90(6)(a) (now subsection 705-90(6)). An incorrectly numbered reference to an example is also corrected.

**TD 2004/53 is amended as follows:**

**1. Paragraph 1**

In the last sentence omit 'paragraph 705-90(6)(a)'; substitute 'subsection 705-90(6)'.

**2. Paragraph 5**

In the last sentence omit 'Example 1 and Example 2'; substitute 'Example 2 and Example 3'.

**3. Paragraph 16**

In Table 3, omit:

- |   |     |
|---|-----|
| • paragraph 705-90(6)(a) extent undistributed profits accrued to joined group:  | 0   |
| <i>LESS</i>   | 0   |
| • paragraph 705-90(6)(b) extent of the undistributed profits accrued to joined group that recouped losses accrued to group: | (0) |

substitute:

- subsection 705-90(6) extent to which undistributed profits accrued to the joined group: 0

#### 4. Paragraph 17

Omit 'paragraph 705-90(6)(a)'; substitute 'subsection 705-90(6)'.

#### 5. Paragraph 22

Omit '(a)' after 'subsection 705-90(6)'.

#### 6. Paragraph 26

In Table 3, omit:

- LESS* 0
- owned profits that recouped owned losses

#### 7. Paragraph 27

Omit 'paragraph 705-90(6)(a)'; substitute 'subsection 705-90(6)'.

#### 8. Legislative References:

- (a) Omit 'ITAA 1997 705-90(6)(a)'; substitute 'ITAA 1997 705-90(6)'.
- (b) Omit 'ITAA 1997 705-90(6)(b)'.

This Addendum applies on and from 1 July 2002.

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**Commissioner of Taxation**

16 August 2006

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ATO references

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