


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?

 This cover sheet is provided for information only. It does not form part of *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?*

 View the [consolidated version](#) for this notice.



Addendum

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Act 1997* by the *Tax Laws Amendment (2004 Measures No. 7) Act 2005* (41 of 2005), by deleting references to the repealed paragraph and correcting references to renumbered paragraph 705-90(6)(a) (now subsection 705-90(6)).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 | 0 |
| LESS | 0 |
| • paragraph 705-90(6)(b) extent of the undistributed profits accrued to joined group that recouped losses accrued to group: (0) | |

TD 2004/53

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.

Commissioner of Taxation

16 August 2006

ATO references

NO: 2005/18404

ISSN: 1038-8982

ATOlaw topic: Income Tax ~~ Consolidation ~~ tax cost setting amount