



TD 2004/62A - Addendum - Income tax: consolidation tax cost setting rules: how does subsection 701-30(2) of the Income Tax (Transitional Provisions) Act 1997 modify the step 3 amount under section 705-90 of the Income Tax Assessment Act 1997?

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Addendum

Taxation Determination

Income tax: consolidation tax cost setting rules: how does subsection 701-30(2) of the *Income Tax (Transitional Provisions) Act 1997* modify the step 3 amount under section 705-90 of the *Income Tax Assessment Act 1997*?

This Addendum amends Taxation Determination TD 2004/62 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Act 1997* by the *Tax Laws Amendment (2004 Measures No. 7) Act 2005* (41 of 2005) by deleting references to the repealed paragraph and correcting references to renumbered paragraph 705-90(6)(a) (now subsection 705-90(6)). In addition, a sentence that described the operation of the repealed provision has been deleted.

TD 2004/62 is amended as follows:

1. Paragraph 1

- (a) Omit the first reference to 'paragraph 705-90(6)(a)'; substitute 'subsection 705-90(6)'.
- (b) Omit 'The paragraph 705-90(6)(a) amount is then reduced under paragraph 705-90(6)(b) to the extent that the undistributed profits recouped a loss for income tax purposes that accrued to the group.'

2. Paragraph 2

Omit 'subsections 705-90(3), (4) and (6)(b)'; substitute 'subsections 705-90(3) and (4)'.

3. Paragraph 6

- (a) In Table 2, at 'Step 3' omit:
paragraph 705-90(6)(a)

substitute:

subsection 705-90(6)

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(b) In Table 2, at 'Step 3' omit:

Less

- paragraph 705-90(6)(b) extent to which subsection 705-90(6)(a) amount includes profits accrued to joined group that recouped losses accrued to group: (0) (0)

4. Paragraph 7

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

5. 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

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