


***TD 2004/70A1 - Addendum - Income tax:
consolidation: does the phrase 'is taken into account
at a later time' in paragraph 705-80(1)(a) of the
Income Tax Assessment Act 1997 require that an
accounting liability, or a change in the amount of an
accounting liability, of a joining entity that is first
recognised after the joining time be examined when
determining whether or not section 705-80 of that Act
applies?***

 This cover sheet is provided for information only. It does not form part of *TD 2004/70A1 - Addendum - Income tax: consolidation: does the phrase 'is taken into account at a later time' in paragraph 705-80(1)(a) of the Income Tax Assessment Act 1997 require that an accounting liability, or a change in the amount of an accounting liability, of a joining entity that is first recognised after the joining time be examined when determining whether or not section 705-80 of that Act applies?*

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Addendum

Taxation Determination

Income tax: consolidation: does the phrase 'is taken into account at a later time' in paragraph 705-80(1)(a) of the *Income Tax Assessment Act 1997* require that an accounting liability, or a change in the amount of an accounting liability, of a joining entity that is first recognised after the joining time be examined when determining whether or not section 705-80 of that Act applies?

This Addendum amends Taxation Determination TD 2004/70 to reflect changes introduced by Schedule 5 to the *Tax Laws Amendment (2010 Measures No. 1) Act 2010*. This Addendum also updates TD 2004/70 to reflect the issue of Taxation Ruling TR 2006/6.

TD 2004/70 is amended as follows:

1. Paragraph 1

Omit '*Income Tax Assessment Act (ITAA 1997)*'; substitute '*Income Tax Assessment Act 1997 (ITAA 1997)*¹'.

2. Paragraph 4

Omit:

for income tax purposes, an accounting liability, or a change in the amount of an accounting liability, (other than one owed to a *member of the joined group) is taken into account at a later time than is the case in accordance with *accounting standards or statements of accounting concepts made by the Australian Accounting Standards Board [AASB].

¹ All legislative references are to the ITAA 1997 unless otherwise indicated.

TD 2004/70

Substitute:

for income tax purposes, an accounting liability, or a change in the amount of an accounting liability, (other than one owed to a *member of the joined group) is taken into account at a later time than is the case in accordance with the joining entity's *accounting principles for tax cost setting.

3. Paragraph 6

- (a) Omit 'TD 2004/71'; substitute 'Taxation Determination TD 2004/71'.
- (b) Omit 'Taxation Ruling 2004/14'; substitute 'Taxation Rulings TR 2004/14 and TR 2006/6'.

4. Paragraph 7, dot point 1

Omit 'the accounting standards or statements mentioned in paragraph 3'; substitute 'the joining entity's accounting principles for tax cost setting'.

5. Related Rulings/Determinations

Insert 'TR 2006/6'.

6. Subject references

- (a) Omit:
 - statements of accounting concepts
- (b) Insert:
 - accounting principles
 - joining entity's accounting principles for tax cost setting

This Addendum applies on and from 10 February 2010, the date of application of the amendments to the *Income Tax Assessment Act 1997* made by Part 8 of Schedule 5 to *Tax Laws Amendment (2010 Measures No. 1) Act 2010*.

Commissioner of Taxation

23 March 2011

ATO references

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