

TD 92/131W - Income tax: property development: are tender costs to be included in the 'estimated profits basis' calculation under Taxation Ruling IT 2450 and spread over the life of a long-term construction contract, or are they deductible under subsection 51(1) of the Income Tax Assessment Act 1936 in the year in which they are incurred?

⚠ This cover sheet is provided for information only. It does not form part of *TD 92/131W - Income tax: property development: are tender costs to be included in the 'estimated profits basis' calculation under Taxation Ruling IT 2450 and spread over the life of a long-term construction contract, or are they deductible under subsection 51(1) of the Income Tax Assessment Act 1936 in the year in which they are incurred?*

⚠ TD 92/131 has been withdrawn as part of a project to review public rulings.

⚠ This document has changed over time. This is a consolidated version of the ruling which was published on *18 October 2017*



Notice of Withdrawal

Taxation Determination

Income tax: property development: are tender costs to be included in the 'estimated profits basis' calculation under Taxation Ruling IT 2450 and spread over the life of a long-term construction contract, or are they deductible under subsection 51(1) of the *Income Tax Assessment Act 1936* in the year in which they are incurred?

Taxation Determination TD 92/131 is withdrawn with effect from today.

1. TD 92/131 clarifies that tender costs are not taken into account for the purposes of the 'estimated profits basis' as explained in Taxation Ruling IT 2450. This Determination explains that whilst tender costs may be attributable to a construction contract, they are severable from it and occur at a time before the beginning of the contract.
2. TD 92/131 is being withdrawn to form part of a consolidated ruling on the tax treatment of long-term construction contracts.
3. The issue covered by TD 92/131 is now covered in Taxation Ruling TR 2017/D8.

Commissioner of Taxation

[18 October 2017](#)

ATO references

NO: 1-BD70DD7
ISSN: 2205-6211

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