TD 93/159W - Income tax: if a purchase of depreciable plant comprises individual items costing $300 or less each or having an effective life of less than 3 years, can these individual items be depreciated at the rate of 100% in terms of subsection 55(2) of the Income Tax Assessment Act 1936?

This cover sheet is provided for information only. It does not form part of *TD 93/159W - Income tax: if a purchase of depreciable plant comprises individual items costing $300 or less each or having an effective life of less than 3 years, can these individual items be depreciated at the rate of 100% in terms of subsection 55(2) of the Income Tax Assessment Act 1936?*

This document has changed over time. This is a consolidated version of the ruling which was published on *21 May 2008*

Notice of Withdrawal

Taxation Determination

Income tax: if a purchase of depreciable plant comprises individual items costing $300 or less each or having an effective life of less than 3 years, can these individual items be depreciated at the rate of 100% in terms of subsection 55(2) of the *Income Tax Assessment Act 1936*?

Taxation Determination TD 93/159 is withdrawn with effect from today.

1. Taxation Determination TD 93/159, which issued on 12 August 1993, deals with the application of subsection 55(2) of the *Income Tax Assessment Act 1936* (ITAA 1936) which allows units of property to be depreciated at a rate of 100% if they cost $300 or less or have an effective life of less than 3 years. The Determination explains that, if a purchase of depreciable plant comprises more than one item, the tests in subsection 55(2) are applied to each unit of property to work out whether each can be depreciated at the rate of 100%. The Determination sets out guidelines for identifying the unit(s) of property.

2. Subsection 55(2) of the ITAA 1936 does not apply to the 1997-98 income year and later years.[1]

3. As the legislation dealt with in TD 93/159 no longer applies, the Determination is withdrawn.

Commissioner of Taxation
21 May 2008

ATO references

NO:	2006/20258
ISSN:	1038-8982
ATOlaw topic:	Income Tax ~~ Capital allowances ~~ immediately deductible expenditure Income Tax ~~ Capital allowances ~~ low-value and software development pools

[1] Section 53I of the ITAA 1936 provides that, subject to 3 exceptions which do not apply to the Determination, the depreciation provisions contained in sections 54 to 62AAV inclusive of the ITAA 1936 do not apply to the 1997-98 income year and later years.