TD 93/32 - Income tax: property development: are tender costs incurred by an unsuccessful tenderer deductible under subsection 51(1) of the Income Tax Assessment Act 1936?

• This cover sheet is provided for information only. It does not form part of *TD* 93/32 - Income tax: property development: are tender costs incurred by an unsuccessful tenderer deductible under subsection 51(1) of the Income Tax Assessment Act 1936?

FOI Status: may be released

Page 1 of 1

This Determination, to the extent that it is capable of being a 'public ruling' in terms of PartáIVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part . Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Taxation Determination

Income tax: property development: are tender costs incurred by an unsuccessful tenderer deductible under subsection 51(1) of the *Income Tax Assessment Act* 1936?

1. Yes. Tender costs are deductible under subsection 51(1) if an unsuccessful tenderer is in business, where tender costs are incidental and relevant to that business (per *Ronpibon Tin v FCT* (1949) 78 CLR 47 and *Charles Moore & Co. (W A.) Pty Ltd v FCT* (1956) 11 ATD 147).

Commissioner of Taxation 04/03/93

FOI INDEX DETAIL: Reference No. I 1214275 Previously issued as Draft TD 92/D107 Related Determinations: TD 92/125; TD 92/131 Related Rulings: IT 2450 Subject Ref: deductibility of tender costs; property development contracts Legislative Ref: ITAA 51(1) Case Ref: Ronpibon Tin v FCT (1949) 78 CLR 47; Charles Moore & Co. (W.A.) Pty Ltd v FCT (1956) 11 ATD 147). ATO Ref: PD/15B

ISSN 1038 - 8982