


# ***TR 92/4A1 - Addendum - Income tax: whether losses on isolated transactions are deductible***

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# Addendum

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## Taxation Ruling

### Income tax: whether losses on isolated transactions are deductible

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Taxation Ruling TR 92/4 to update the legislative references from the *Income Tax Assessment Act 1936* to the *Income Tax Assessment Act 1997*.

#### TR 92/4 is amended as follows:

**1. Paragraph 1**

Omit 'subsection 51(1) of the *Income Tax Assessment Act 1936*'; substitute 'section 8-1 of the *Income Tax Assessment Act 1997* (ITAA 1997)'.

**2. Paragraph 2**

Omit the paragraph; substitute:

2. The Ruling does not consider the application of section 25-40 of the ITAA 1997, the capital gains and capital losses provisions (Parts 3-1 and 3-3 of ITAA 1997) or section 52 of the *Income Tax Assessment Act 1936* (ITAA 1936).

**3. Paragraph 3**

Omit the paragraph; substitute:

3. 'This Ruling should be read with Taxation Ruling TR 92/3, which deals with whether profits from isolated transactions are income and therefore assessable under section 6-5 of ITAA 1997.'

**4. Paragraph 4**

Omit 'subsection 51(1)'; substitute 'section 8-1'.

**5. Paragraph 6**

Omit the paragraph; substitute:

6. The general deduction provision is found in section 8-1 and can apply to losses that satisfy a positive limb (connection with the gaining or producing of assessable income) and do not satisfy a negative limb (such as being capital, or of a capital nature).

**7. Paragraph 8**

Omit 'subsection 51(1)'; substitute 'section 8-1'.

**8. Paragraph 9**

- (a) Omit 'subsection 51(1)'; substitute 'section 8-1'.
- (b) Insert '(1988)' before '19 ATR 938'.

**9. Paragraph 10**

Omit 'subsection 51(1)'; substitute 'section 8-1'.

**10. Paragraph 11**

Omit 'subsection 51(1)'; substitute 'section 8-1'.

**11. Paragraph 13**

- (a) Omit 'subsection 51(1)'; substitute 'section 8-1'.
- (b) Omit 'subsection 25(1)'; substitute 'section 6-5'.

**12. Paragraph 14**

Insert '(1987)' before '18 ATR 693'.

**13. Paragraph 16**

Omit 'subsection 51(1)'; substitute 'section 8-1'.

**14. Paragraph 17**

Omit 'subsection 51(1)'; substitute 'section 8-1'.

**15. Paragraph 20**

Omit 'subsection 51(1)'; substitute 'section 8-1'.

**16. Paragraph 22**

- (a) Omit 'subsection 51(1)'; substitute 'section 8-1'.
- (b) Omit 'subsection 25(1)', substitute 'section 6-5'.

**17. Paragraph 23**

- (a) Omit '1987'; substitute '2012'.

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(b) Omit '1992; substitute '2017'.

**18. Paragraph 24**

Omit 'subsection 51(1)'; substitute 'section 8-1'.

**19. Legislative references**

Omit 'ITAA 1936 51(1)'; substitute "ITAA 1997 8-1".

**20. Case references**

(a) Before '18 ATR 158' insert '(1987)'

(b) Before '19 ATR 938' insert '(1988)'

This Addendum applies on and from 22 March 2017.

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**Commissioner of Taxation**

22 March 2017

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ATO references

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