


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

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Addendum

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'.

- (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.

Commissioner of Taxation

22 March 2017

ATO references

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