

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Additional Estimates 14 February 2006)

Question **AET 142**
Topic: **MIS-general length of rulings**
Hansard Page: **E71-72**

Senator **Sherry** asked:

What is the general length of the rulings?

Mr D'Ascenzo—Generally we give 12-month rulings, but arrangements could be such where they are for a longer period, depending on the circumstances.

Senator SHERRY—If your ruling is in the next month, would the bulk of them conclude in the next financial year?

Mr D'Ascenzo—It may differ. For instance, if you have an arrangement that involves an annual crop, that would be a 12-month ruling. Some of the longer ones would have a longer ruling period.

Mr Konza—We should take that on notice if you want an accurate answer to that, because I am concerned that some of the afforestation schemes, for example, can go out a number of years and the financing and the tax treatment of the payments would be covered by those years. We may have rulings that go longer, but the principle that the commissioner explained is really the important one—that is, that those schemes that have commenced and are covered by a ruling will stay on the same footing.

Senator SHERRY—That was my understanding. I just wanted to confirm that because some of the coverage of this matter would seem to indicate that they are all going to end come the next month or two when you give your ruling

Answer:

To ensure clarity, the Tax Office generally issues a separate product ruling for each financial year in which a particular arrangement is offered.

All product rulings provide protection for taxpayers who invest in the arrangement in a particular financial year, for the duration of the arrangement (which may be more than one year), provided that the arrangement is implemented in accordance with the ruling.