

# EXPOSURE DRAFT

## Disallow deductions against rebatable benefits

EXPOSURE DRAFT

### Commencement information

Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Schedule 1	The day this Act receives the Royal Assent.	
2.		

## Schedule 1—Disallow deductions against rebatable benefits

### *Income Tax Assessment Act 1997*

#### **1 Section 12-5 (after table item headed “rates and land taxes”)**

Insert:

**rebatable benefits**

no deduction for ..... 26-19

#### **2 Before section 26-20**

Insert:

#### **26-19 Rebatable benefits**

- (1) You cannot deduct under this Act a loss or outgoing to the extent that the loss or outgoing is incurred in gaining or producing a rebatable benefit (within the meaning of section 160AAA of the *Income Tax Assessment Act 1936*).
- (2) To the extent that you use property in gaining or producing a rebatable benefit, your use of the property is taken *not* to be for the \*purpose of producing assessable income if subsection (1) would stop you deducting a loss or outgoing if you incurred it in the income year in gaining or producing the rebatable benefit.

# EXPOSURE DRAFT

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Note: Under some provisions of this Act, in order to deduct an amount for your property, you must have used the property for the purpose of producing assessable income.

### **3 Subsection 995-1(1) (note at the end of the definition of *purpose of producing assessable income*)**

Omit “Section 32-15 (about using property in providing entertainment) treats”, substitute “Sections 26-19 (about using property in gaining or producing rebatable benefits) and 32-15 (about using property in providing entertainment) treat”.

### **4 Application of amendments**

The amendments made by this Schedule apply to assessments for the 2011-12 income year and later income years.