



ATO MINUTE	572/2011	31 OCTOBER 2011	
FORMAT	MINUTE NO.	ISSUE DATE	CLASSIFICATION



# ATO MINUTE

FILE REF: [FILE NO.]

TO:	Business Tax Division
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TREASURY REF:	

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## CATEGORY:

- Suggested legislative amendments
  - Minor technical amendments to the law - not Tax Issues Entry System (TIES) issues
  - Policy/Law change suggestion - substantive change in policy or law
- Pre Policy Approval
- Legislative Measures Development
- General - includes advice in relation to outcome of litigation/courtcases and TIES issues

ISSUE DATE: 31 October 2011

RESPONSE DATE: NA

SUBJECT: Consolidation : Proposed amendments to the rights to future income and residual tax cost setting rules : Pre 12 May 2010 period changes

**Purpose****Section 22****Background**

To date the ATO have received approximately 26 private rulings, 46 objections and 80 amendment requests relating to the consolidation rights to future income and residual rules, which are yet to be resolved.

The majority of claims made in these rulings and objections relate to the assets which would have reset tax cost allocated to goodwill under the current amendment proposals for the retrospective period.

**Section 22**

## Section 22

Potential claims for the 2003 to 2008 income years, as per objections and private rulings lodged to date, total approximately \$5.1 billion. There is nothing to stop taxpayers in these cases from lodging section 14ZYA and 359-50 notices in the hope of forcing a favourable AAT or court decision and income tax refunds which the Commissioner will be precluded from recovering when the retrospective amendments to the law are enacted.

The cost to the revenue of such claims under the current law will depend largely on the number of cases the tribunal or courts are capable of processing until the amendments to the law are enacted.

## Section 22

### **Advice/Issue**

## Section 22

### **Recommendation/Action**

## Section 22

Deputy Chief Tax Counsel