

Manager
Individuals Tax Unit
Individuals and Indirect Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

Submission

A number of business' organise their affairs using more than one entity for asset protection reasons. As a consequence they hold the land & building in a separate entity to the trading entity.

Example a company operates a motel and mum & dad owns the land & buildings which it rents to their company.

The draft legislation would potentially catch this arrangement and deny depreciation deductions where mum and dad purchase a motel and rent the commercial residential rental property to the company.

In this instance there should be a carve out where the property is a commercial residential rental property which is rented to an associated business.

Thank you for considering

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