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2000B00242

Income Tax (Farm Management Deposits) Amendment Regulations 2000 (No. /)

Statutory Rules 2000 No. /

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I, WILLIAM PATRICK DEANE, Governor-General of the
Commonwealth of Australia, acting with the advice of the
Federal Executive Council, make the following Regulations
under the *Income Tax Assessment Act 1936*.

Dated 10 AUG 2000 2000

WILLIAM DEANE
Governor-General

By His Excellency's Command

C. R. KEMP
Assistant Treasurer



Income Tax (Farm Management Deposits) Amendment Regulations 2000 (No. /)¹

Statutory Rules 2000 No. / ²

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made under the

Income Tax Assessment Act 1936

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1 Name of Regulations

These Regulations are the *Income Tax (Farm Management Deposits) Amendment Regulations 2000* (No. ✓).

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2 Commencement

These Regulations commence on 1 September 2000.

3 Amendment of *Income Tax (Farm Management Deposits) Regulations 1998*

Schedule 1 amends the *Income Tax (Farm Management Deposits) Regulations 1998*.

2 *Income Tax (Farm Management Deposits) Amendment
Regulations 2000* (No. ✓)

2000, ✓

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Schedule 1 Amendment

(regulation 3)

[1] Schedule 2, the 3 paragraphs under the heading *Tax consequences of farm management deposits*

substitute

The scheme allows primary producers to deduct the amount of any farm management deposit they own from their assessable income for the income year in which the deposit is made. However, the amount of the deductions cannot exceed the owner's taxable primary production income for the year.

Under the Pay As You Go system, owners may reduce their instalment income for an instalment period by the amount of farm management deposits made during that period. The reduction is limited to the amount that the owners can reasonably expect to deduct for the deposit for the income year in which the deposit is made. However, the instalment income for the period cannot be reduced below nil.

When an owner withdraws funds from a farm management deposit in an instalment period, the instalment income of the period will include the amount of the withdrawal. But the owner's instalment income will only include so much of the withdrawal as will be included in the owner's assessable income for the income year in which the withdrawal is made. If neither the owner's tax file number nor Australian Business Number have been quoted to the financial institution that holds the deposit, the amount withdrawn will also be subject to withholding at a rate of 48.5%.

Notes

1. These Regulations amend Statutory Rules 1998 No. 325.
2. Made by the Governor-General on *L* 2000, and notified in
the *Commonwealth of Australia Gazette* on *L* 2000.

10 August
17 August