



Australian Government
Australian Taxation Office

Certainty for agricultural managed investment schemes

Media release 2008/61

Tax Commissioner Michael D'Ascenzo today noted the Federal Court decision which clarified the law in relation to deductions for contributions to registered agricultural managed investment schemes (MIS).

The Federal Court decision accepts that investments in MIS arrangements which are broadly similar to the test case are deductible.

Importantly, these arrangements don't involve features like non-recourse or round-robin funding in mass-marketed schemes that were disallowed by the courts in cases such as *Howland-Rose & Ors v FC of T (Budplan case)* and *Vincent v Commissioner of Taxation*.

"We funded this case under our test case program to provide greater certainty to the community on the application of the law and today's decision provides that certainty," Mr D'Ascenzo said.

"I appreciate the assistance of industry representatives who have worked with us on this case, as well as the Federal Court for agreeing to hold a Full Court hearing in the first instance and in dealing with the matter in a timely fashion.

"This case demonstrates that important tax disputes can be progressed through the courts relatively quickly with industry cooperation and the support of the judiciary."

In light of the Federal Court's decision, the Tax Office will withdraw its current income tax ruling and draft GST rulings on this topic and will work with industry to finalise 2009 product rulings as soon as possible.

"We offered arrangements to stockpile these product ruling applications so that they could be finalised quickly after the decision is handed down.

"We will now work to finalise the five applications on hand," Mr D'Ascenzo said.

A new income tax ruling will be published in the new year. We expect to release a decision impact statement shortly, and we do not expect to lodge a request for special leave to appeal the case.

More information

Taxation ruling: [TR 2007/8, Income tax: registered agricultural managed investment schemes](#)

Draft ruling: [GSTR 2008/D1, Goods and services tax: registered agricultural managed investment schemes](#)

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