Corporate tax update

1 February 2015

**Commissioner to seek High Court appeal on Full Federal Court decision on a liquidator’s withholding obligations**

In our November 2014 edition of *TaxTalk* (Corporate Tax), we reported the decision in *Commissioner of Taxation v Australian Building Systems Pty Ltd (in liq) [2014] FCAFC 133*. In that case the Full Court held that a company liquidator, appointed under the * Corporations Act 2001* (Cth), was not required under section 254 of the *Income Tax Assessment Act 1936* (ITAA 1936) to retain an amount from the proceeds of sale of an asset to pay income tax that may be payable under any future assessment issued to the company. The Commissioner has now commenced proceeding to seek special leave to appeal this decision to the High Court.

**ATO publishes preliminary view on equity override rule**

The Australian Taxation Office (ATO) has provided some long awaited guidance on the application of the equity override rule in section 974-80 of the *Income Tax Assessment Act 1997* (ITAA 1997). The guidance is in draft Taxation Determinations TD 2014/D18, TD2014/D19 and TD2014/D20. Whilst there is still a long way to go in rectifying all of the uncertainty associated with this provision, the draft determinations provide welcome certainty to many taxpayers that have employed basic inbound investment structures. For further information, see our *TaxTalk Alert*.

**Rights to future income (RTFI)**

Final Taxation Determinations - TD 2014/22, TD 2014/23 and TD 2014/24, issued on 17 December 2014, outline the Commissioner’s final view as to the operation of the application provisions to the 2012 amendments to the consolidation rights to future income (RTFI) and residual tax cost setting rules. Specifically, the determinations address various scenarios that relate to whether or not an assessment/amended assessment has issued in the context of determining which of the particular amendments apply.

For further information contact your usual PwC adviser.
Let's talk

For a deeper discussion of how these issues might affect your business, please contact:

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