

Addendum

Product Ruling

Income tax: TFS Premium Sandalwood Project 2004

This Addendum amends Product Ruling PR 2004/45 to reflect a change in the payment of the establishment fee for Growers who elect to pay under the Instalment Option.

PR 2004/45 is amended as follows:

1. Paragraph 14

Insert the following dot points:

- Additional correspondence received 21 May 2004;
- Supplementary Product Disclosure Statement received 21 May 2004;
- TFS Premium Sandalwood Project 2004 Terms Agreement received 21 May 2004.

2. Omit Paragraph 33 and substitute with new Paragraph 33

33. No rent is payable in respect of the Establishment Period. The Establishment Fees are due and payable on Application for the Establishment Period, however, the Grower may choose one of the following payment options in respect of satisfying the Establishment Fee:

- (a) pay the whole of the Establishment Fee upon Application for the Establishment Period as follows:

Number of Sandalwood Lots applied for	Establishment Fee per Sandalwood Lot
10	\$52,250
Each Sandalwood Lot above 10	\$5,225

;or

- (b) pay 20% of the Establishment Fee upon Application and the remainder in 8 equal monthly instalments commencing the month after Application in accordance with the Instalment Option. The Grower must apply for the Instalment Option by completing the Letter to the Responsible Entity for Instalment Option contained within the Supplementary Product

Disclosure Statement. The Responsible Entity may then provisionally approve an Instalment Option Application and the Grower must then duly execute and return to the Responsible Entity a Terms Agreement before final approval by the Responsible Entity.

3. Paragraph 72

Omit Note (ii) and substitute with new Note (ii)

- (ii) the Establishment Fee is payable on application or in accordance with the Instalment Option for services to be provided in the Establishment Period and is deductible in the year in which it is incurred (where the Grower is **not an 'STS taxpayer'**) or the year in which it is paid (where the Grower is an **'STS taxpayer'**). For prepaid 2004 Growers, the Establishment Fee is expenditure for 'seasonally dependent agronomic activities' (see paragraphs 107 to 111 below) and is deductible in the same manner. The amount that is incurred will depend upon the number of Sandalwood Lots held by the Grower. These amounts are set out in the Table in paragraph 33 of this Product Ruling and Addendum.

Commissioner of Taxation

2004

ATO references: