



Australian Government

The Treasury

CONSOLIDATION: APPLICATION OF LOSSES WITH NIL AVAILABLE FRACTION SUMMARY OF CONSULTATION PROCESS

The Government announced on 13 May 2008 that it would amend the income tax law to ensure losses transferred to the head company of a consolidated group or a multiple entry consolidated group by a joining entity that is insolvent at the joining time can be used by the head company in certain circumstances.

This measure was included in Tax Laws Amendment (2009 Measures No 4) Bill 2009, which was introduced into Parliament on 25 June 2009.

Consultation process

This measure was originally announced by the former government. Targeted confidential consultation was undertaken by the former government on this measure at both the policy design phase and the law design phase.

Public consultation on the draft legislation was conducted between 28 April 2009 and 25 May 2009. The draft legislation covered 19 announced measures to amend the consolidation regime. One submission (which was confidential) was received that relates to this particular measure in the draft legislation.

Other submissions received on the draft legislation (including submissions received after 25 May 2009 that raise issues relevant to this measure) are still under consideration. Issues raised in those submissions will be considered in the context of finalising the remaining measures in the draft legislation, which are expected to be introduced in the second half of 2009.

Feedback

Feedback on the consultation process for this measure can be forwarded to consultation@treasury.gov.au . Alternatively, you can contact Tony Regan on 02 6263 3334.

Thank you to all participants in the consultation process.