



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 8

#### OTHER RELIEFS

#### CHAPTER 1

#### INTEREST PAYMENTS

#### *General and supplementary*

#### **408 Replacement loans**

- (1) This section applies to a replacement loan.
- (2) In subsection (1) “replacement loan” means a loan to which section 392, 396, 398 or 401 applies because the loan is used in repaying another loan (“the replaced loan”) to which that section applies.
- (3) This Chapter, except for sections 385 and 386, applies to the replacement loan as if that loan and the replaced loan were a single loan (subject to subsection (5)).
- (4) Accordingly, any restriction under section 406 (effect of recovery of capital in the case of some loans) which applies to the replaced loan applies to the replacement loan.
- (5) But this Chapter, except for sections 385 and 386, applies as if references to the use of the loan were references to the use of the original loan.

**Status:**

Point in time view as at 01/01/2012.

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax Act 2007, Section 408.