

Meaning of “the relevant interest”. ITA67 s268 269.—(1) Subject to this section, in this Chapter, “the relevant interest”, in relation to any expenditure incurred on the construction of a building or structure, means the interest in that building or structure to which the person who incurred the expenditure was entitled when the person incurred the expenditure.

(2) Where, when a person incurs expenditure on the construction of a building or structure, the person is entitled to 2 or more interests in the building or structure and one of those interests is an interest which is reversionary on all the others, that interest shall be the relevant interest for the purposes of this Chapter.

(3) An interest shall not cease to be the relevant interest for the purposes of this Chapter by reason of the creation of any lease or other interest to which that interest is subject, and where the relevant interest is a leasehold interest and is extinguished by reason of the surrender of the leasehold interest, or on the person entitled to the leasehold interest acquiring the interest which is reversionary on the leasehold interest, the interest into which that leasehold interest merges shall thereupon become the relevant interest.