Application of Act.

3. This Act applies to a person where air navigation charges were, or purported to be, payable by that person, and—

(a) that person has paid or agreed to pay an amount to the Commonwealth, being an amount which the Commonwealth has accepted or agreed to accept in full satisfaction of claims by the Commonwealth against that person for those air navigation charges or for so much of those air navigation charges as has not previously been paid; or

(b) that person has paid the whole or a part of those air navigation charges and has received or is entitled to receive, or has been credited with or is entitled to be credited with, an amount by way of refund or rebate of a part of the amount so paid.

Assessment of taxpayers to whom Act applies.

4.—(1.) For the purposes of the application of the *Income Tax Assessment Act* 1936–1948, or of that Act as amended, in relation to a taxpayer, being a person to whom this Act applies—

(a) if paragraph (a) of the last preceding section applies to the taxpayer—the taxpayer shall be deemed to have incurred air navigation charges of an amount equal to the sum of the amount referred to in that paragraph paid or agreed to be paid to the Commonwealth and the amount (if any) previously paid for air navigation charges, and shall be deemed not to have incurred any other air navigation charges;

(b) if paragraph (b) of the last preceding section applies to the taxpayer—the taxpayer shall be deemed to have incurred air navigation charges of an amount equal to the amount remaining after deducting from the amount of air navigation charges paid the amount of the refund or rebate, and shall be deemed not to have incurred any other air navigation charges; and

(c) notwithstanding that deductions from assessable income in respect of air navigation charges have been allowed or were allowable to the taxpayer before the commencement of this Act, deductions from assessable income in respect of the amount of air navigation charges which, under the preceding paragraphs of this sub-section, the taxpayer is to be deemed to have incurred shall be allowable (in lieu of any deductions that have been so allowed or were so allowable), and those deductions shall be allowable in such amounts, and in respect of such of the years of income in which air navigation charges became, or purported to become, payable, as the Commissioner determines.