



Wesfarmers demerger of Coles – 2019 calculator and instructions

This calculator will assist shareholders to work out their tax outcomes from the Wesfarmers demerger of Coles.

Last updated 28 June 2019

The instructions below will help you use the calculator.

[Wesfarmers 2019 calculator](#)

Who the calculator is for

You can use the calculator to work out the income tax consequences for you of the demerger of Coles Group Limited (Coles) from Wesfarmers Limited (Wesfarmers) on 28 November 2018 if:

- you were listed on the share register of Wesfarmers as at 4:00pm Western Standard Time on 22 November 2018 (the Record Date)
- you held your shares on capital account: that is, you did not hold your shares in Wesfarmers as revenue assets (as defined in section 977-50 of the *Income Tax Assessment Act 1997*) nor as trading stock (as defined in subsection 995-1(1) of that Act) on the Record Date.

However, you should not use the calculator if the taxation of financial arrangements (TOFA) rules in Division 230 of the *Income Tax Assessment Act 1997* apply to you.

If you are an individual, the TOFA rules will generally not apply to you unless you have made an election for them to apply.

For further information on the tax consequences of the demerger, or to find out how to work them out manually, see [Wesfarmers Limited – demerger of Coles Group Limited \(2018\)](#).

Microsoft Excel requirements

The calculator is a Microsoft Excel spreadsheet. You will need to open it using a compatible version of Microsoft Excel (2007 or later) and permit access for files downloaded from the internet. The calculator does not contain any macros or scripts.

What the calculator does

The calculator works out the following income tax consequences of the demerger:

- how many of the Coles shares you received are taken to be pre-CGT, and how many are post-CGT
- the capital returned to you under the demerger (included for your convenience: you do not need this to complete your 2019 or later income tax return)
- the resulting capital gain (if any) you must take into account when working out your net capital gain or net capital loss for the 2019 income year
- the cost base adjustments you must make to your post-CGT Wesfarmers shares as a result of the demerger
- the cost bases of your Coles shares
- the date you are taken to have acquired your Coles shares for the purpose of working out whether a capital gain from a CGT event that later happens to them is a discount capital gain
- the dividend component of the distribution to you of the Coles shares (included for your convenience, as the amount is not taxed under the demerger rules)
- if your Coles shares were sold through the Share Sale Facility and the proceeds distributed to you by the Sale Agent – the amount of your capital gain or capital loss from the sale
- if you were a Small Shareholder who elected to have your shares sold through the Sale Facility, and you elected to donate the

proceeds of the sale to ShareGift – your deduction for making that donation.

Using the calculator

The calculator contains two sheets, called *Data* and *Tax consequences* (see the tabs at the bottom of the spreadsheet).

The *Data* sheet contains the data the calculator needs to work out the income tax consequences listed above. Some data is pre-filled, and some you must supply (see further below).

The *Tax consequences* sheet displays the income tax consequences for you of the demerger worked out using the data in the *Data* sheet.

So that the calculator can work out the correct income tax consequences, you must:

- answer between three and six questions (depending on your circumstances)
- supply information about the Wesfarmers shares you held at the Record Date.

To do this, first click on the **Data** tab at the bottom of the spreadsheet.

Questions you must answer


In the *Data* sheet there is a list of questions under the heading 'Answer the following questions', which you answer by clicking on the **No** or **Yes** button to the right of each question.

See the following table for a list of the questions and accompanying comments:

Questions the calculator asks you

Question	Comments
Are you an Australian resident?	If you are an Australian resident, you may choose to obtain a roll-over. If not, you may only choose to obtain a roll-over if the Coles shares you acquired under the demerger were 'taxable

	<p>Australian property' just after you acquired them (see Wesfarmers Limited – demerger of Coles Group Limited (2018) or Class Ruling CR 2018/59 at paragraphs 39 and 52).</p>
<p>Were your Coles shares taxable Australian property just after you acquired them?</p>	<p>This question only appears if you answer 'No' to the question 'Are you an Australian resident?' See the previous item in this table. For the circumstances in which your Coles shares were taxable Australian property just after you acquired them, see Wesfarmers Limited – demerger of Coles Group Limited (2018).</p>
<p>Are your Wesfarmers shares taxable Australian property?</p>	<p>This question only appears if you answer 'No' to the question 'Are you an Australian resident?' See the first item in this table. For the circumstances in which your Wesfarmers shares are taxable Australian property, see Wesfarmers Limited – demerger of Coles Group Limited (2018) or Class Ruling CR 2018/59 at paragraph 51.</p>
<p>Do you choose to obtain a roll-over?</p>	<p>This question appears if you answer 'Yes' to the question 'Are you an Australian resident?' or if (having answered 'No' to that question) you answer 'Yes' to the question 'Are your Coles shares taxable Australian property?' Otherwise, the statement 'You cannot choose to obtain a roll-over' appears.</p>
<p>Were your Coles shares sold under the Sale Facility?</p>	<p>Answer 'Yes' to this question if you were an Ineligible Overseas</p>

	<p>Shareholder, or if you were a Small Shareholder and elected to have your shares sold under the Sale Facility. In either event, there will be capital gains tax consequences of the sale of your shares by the Sale Agent, and the calculator works them out for you. The terms 'Ineligible Overseas Shareholder' and 'Small Shareholder' are defined in the Wesfarmers demerger of Coles scheme booklet .</p>
<p>Were you a Small Shareholder who donated your sale proceeds from the Sale Facility to ShareGift?</p>	<p>This question only appears if you answered 'Yes' to the question 'Were your Coles shares sold under the Sale Facility?'</p>

Information you must provide about your Wesfarmers shares

Once you have answered the above questions that apply to you, you must, for each parcel of Wesfarmers shares you held at the Record Date, enter in the table in the *Data* sheet:

- the number of shares in the parcel in the *No. shares* column
- whether or not the shares in the parcel were pre-CGT (that is, they were acquired, or taken to be acquired, before 20 September 1985) by clicking 'Yes' or 'No' in the *Pre-CGT?* column
- the cost base per share for the parcel in the *Cost base/share* column. However, you do not need to enter the cost base if the shares in the parcel are pre-CGT.

The calculator allows you to provide information for up to 16 parcels of Wesfarmers shares.

Note: This calculator does not track the cost base history of your Wesfarmers shares. For it to give accurate results, you must have records of what the cost bases of your post-CGT Wesfarmers shares were just before the demerger. Your tax advisor may be able to help you if you do not have this information.

Viewing the income tax consequences of the demerger

When you have finished answering the questions and filling in the information about your Wesfarmers shares (as above), click on the *Tax consequences* sheet to view the income tax consequences for you of the demerger.

You should keep a copy of the completed spreadsheet for your records in electronic or printed form. If you print it out, print both the *Data* sheet and the *Tax consequences* sheet.

Note: If you may make the choice to obtain the roll-over, you can compare the consequences of choosing or not choosing to obtain it by alternately answering 'Yes' or 'No' to the question 'Do you choose to obtain a roll-over?' in the *Data* sheet, and observing the differing consequences in the *Tax consequences* sheet.

Our commitment to you

All outcomes provided by this calculator are based on the information you provide at the time of calculation. You should use the outcomes for guidance purposes only.

We are committed to providing you with advice and information you can rely on.

We make every effort to ensure that our advice and information is correct. If you rely on the advice given from this calculator and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it. If you make an honest mistake when you try to follow our advice and you owe us money as a result, we will ask you to pay the money.


If you acted reasonably and in good faith or made an honest mistake when you try to follow our advice, we will not charge you a penalty, but may charge you interest.

If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

There may be a slight difference between the outcomes provided by this calculator and manual calculations, due to rounding. If you discover any substantial differences, or require assistance, send a

short email, including your name and contact details with the words 'Wesfarmers demerger of Coles', to TaxAdvice@ato.gov.au.

Find out about:

- Class Ruling CR 2018/59 Income tax: Wesfarmers Limited – demerger of Coles Group Limited
- [Wesfarmers demerger of Coles scheme booklet](#) 
- Wesfarmers Limited – demerger of Coles Group Limited (2018)

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Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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