



Instructions for companies, trusts and funds (entities)

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READ THIS SIGNPOST BEFORE YOU READ PART B OR PART C OF THIS GUIDE

Are you an individual?

Read part B of this guide, and only read part C if you need help completing the sample worksheets.

Is your entity a company, trust or fund?

Read part C of this guide. The steps outlined will show you whether you need to read section 1 or section 2, or both.

Do you expect your entity's total capital gains or total capital losses for the current year to be \$10 000 or less?

Work through section 1 of part C. You only need to refer to section 2 of part C if your entity's total capital gains or total capital losses are greater than \$10 000 in 2001–02.

Do you expect your entity's total capital gains or total capital losses for the current year to be greater than \$10 000?

Work through section 2 of part C. You will be referred back to section 1 of part C if you need help with the worksheets.

Introduction

These instructions are designed to help companies, trusts and funds (your entity) to calculate a capital gain or capital loss and to complete the capital gains items on the relevant tax return. This will be the:

- *Company tax return 2002*—item **7**
- *Trust tax return 2002*—item **18** or
- *Fund income tax and regulatory return 2002*—item **9**.

Funds include superannuation funds, approved deposit funds and pooled superannuation trusts.

The labels to complete at these items are:

- **G**—**Did you have a CGT event during the year?**
- **A**—**Net capital gain**
- **H**—**Total current year capital gains** (if you are an individual).

You will also need to show your entity's net capital losses carried forward to later income years at **V** at the relevant item number for the entity's tax return.

This will be the:

- *Company tax return 2002*—item **10 (Losses information)**
- *Trust tax return 2002*—item **24 (Losses information)** or
- *Fund income tax and regulatory return 2002*—item **10 (Losses information)**.

NOTE **New terms**

There may be terms in part C that are not familiar to you. Refer to chapter 1 in part A or to *Explanation of terms* at the back of this guide.

NOTE **Entities**

The term 'entities' is used to describe companies, trusts and funds in this part of the guide.

Worksheets

The sample worksheets provided at the back of this guide are the:

- the *Capital gain or capital loss worksheet* (to calculate the capital gain or capital loss from each CGT event)
- the *CGT summary worksheet* (to calculate the net capital gain or net capital loss and complete the CGT labels on the 2001–02 tax return).

You can tear out the worksheets and complete them as you work through this part.

The worksheets are optional and your entity may prefer to use a different worksheet or a computer-based alternative. We have used these sample worksheets throughout this part of the guide as examples to help you complete the capital gains item on your entity's tax return, and a *Capital gains tax (CGT) schedule 2002* if this is required.

Section 1 in this part of the guide contains instructions on how to complete the worksheets.

NOTE **Individuals**

If you are an individual taxpayer, you may also use the worksheets at the back of this guide and the related instructions in section 1 to calculate your net capital gain or net capital loss. As an individual, you are not required to complete a CGT schedule when lodging a paper tax return, regardless of the amount of your capital gains or capital losses.

CGT schedule

Your entity must complete this schedule for the 2001–02 income year if:

- the total current year capital gains are greater than \$10 000 or
- the total current year capital losses are greater than \$10 000.

The CGT schedule replaces several return form labels used in past tax returns.

If your entity is required to complete a CGT schedule, attach it to your entity's 2001–02 tax return.

Section 2 in this part of the guide contains instructions on how to complete the CGT schedule.

Steps you need to take

The completion of the CGT labels on your entity's 2001–02 tax return involves a 3-step process (for entities with capital gains or capital losses under the \$10 000 threshold) or a 4-step process (for entities with capital gains or capital losses over the \$10 000 threshold):

- Step 1** Calculate a capital gain or capital loss for each CGT event that happens during the 2001–02 income year using the *Capital gain or capital loss worksheet*.
- Step 2** Calculate the net capital gain or net capital loss for the 2001–02 income year using the *CGT summary worksheet*.
- Step 3** If required, complete a CGT schedule.
- Step 4** Complete the capital gains item on your entity's tax return.

STEP 1 **Complete a Capital gain or capital loss worksheet for each CGT event**

The *Capital gain or capital loss worksheet* calculates a capital gain or capital loss for each separate CGT event. Do not attach completed worksheets to your entity's 2001–02 tax return—these are your working papers and should be kept with your entity's tax records.

Remember that when you are using the *Capital gain or capital loss worksheet*:

- you show the type of CGT asset or CGT event that resulted in the capital gain or capital loss. Organise each of these under one of the following 4 categories:
 - shares and units in unit trusts
 - real estate
 - other CGT assets (including personal use assets) and any other CGT events
 - collectables

There are special rules that apply when working out a capital gain or capital loss for a depreciating asset. A capital gain or capital loss will only arise to the extent that a depreciating asset is used for a non-taxable purpose (for example, used privately). The capital gain or capital loss is calculated having regard to concepts used in the uniform capital allowance provisions. Those provisions also treat as income or allow as a deduction any gain or loss from a depreciating asset to the extent that it was used for a taxable purpose

- if a capital gain was made, you calculate it using:
 - the indexation method (see note 2 to the worksheet) for capital gains made on CGT assets acquired before a certain time (11.45 a.m. by legal time in the ACT on 21 September 1999) and owned for at least 12 months or
 - the discount method (see note 3 to the worksheet) for assets owned for at least 12 months and for which you are not using the indexation method
 - the 'other' method (if neither the indexation method nor the discount method applies).

These 3 methods of calculating a capital gain are explained in full in chapter 2 part A and are also listed in *Explanation of terms* at the back of this guide.



When you have calculated your capital gain or capital loss for each CGT event using a *Capital gain or capital loss worksheet*, or a different tool, transfer any capital gains or capital losses to the *CGT summary worksheet*.

STEP 2 **Complete the CGT summary worksheet**

The *CGT summary worksheet* is used to calculate your entity's net capital gain or net capital loss for the 2001–02 income year. It also provides the information you need to complete the capital gains item on your entity's tax return and, if required, the CGT schedule.

You should include on this worksheet any capital gain your entity is entitled to as a distribution from a trust.

The *CGT summary worksheet* is designed for entities that make capital gains or capital losses during the income year. However, you may also find it useful if you are an individual (including a partner in a partnership) who has more complex CGT affairs.



Transfer the capital gain or capital loss calculated on each *Capital gain or capital loss worksheet* to the *CGT summary worksheet*. Transfer a capital gain according to the method you used to calculate it and the type of asset that gave rise to it.

The *CGT summary worksheet* differentiates between capital gains from active assets and non-active assets. Generally, an active asset is a business asset the entity owns—for example, goodwill of a business. A share and an interest in a trust can also be an active asset if certain conditions are met.

There are 4 CGT small business concessions that may apply to capital gains from active assets:

- **the small business 15-year exemption:** this exemption, subject to certain conditions being satisfied, means a capital gain is totally disregarded if your small business entity has continuously owned the CGT asset for at least 15 years, and:
 - you are 55 years old or over and retiring, or
 - you are permanently incapacitated
- **the small business 50 per cent active asset reduction:** this concession provides a 50 per cent reduction of a capital gain for an active asset

- *the small business retirement exemption*: this allows capital gains for active assets (up to a lifetime limit of \$500 000) to be disregarded if the conditions are satisfied. If you are under 55 years old and are eligible for this exemption, the amount must be paid into a superannuation (or similar) fund
- *the small business roll-over*: this enables you to defer a capital gain if a replacement asset is acquired and other conditions are satisfied.

To find out if your business is eligible for the CGT small business concessions, get the publication *Capital gains tax concessions for small business* from the sources listed at the back of this guide.

NOTE **Active assets**

Remember that at **Active assets** in the *CGT summary worksheet* (and the CGT schedule), you should only include a capital gain from an active asset that qualifies for one or more of the following CGT small business concessions:

- small business 50 per cent active asset reduction
- small business retirement exemption
- small business roll-over.

If the asset does not qualify for one or more of these concessions, include the capital gain at **Non-active assets**.

NOTE **Limit on value of assets**

The CGT small business concessions are not available if the net value of the assets of your entity and related entities just before the CGT event exceeds \$5 million. If your entity is not entitled to the small business concessions, include the capital gain at **Non-active assets**.

NOTE **Life insurance companies**

Life insurance companies, including friendly societies that conduct life insurance business, need to complete 2 *CGT summary worksheets*—one for each class of income they derived (superannuation class and ordinary class income). Capital losses from one class of income can only be applied against capital gains from that class of income.

STEP 3 **If required, complete a CGT schedule**

Your entity must complete a CGT schedule for the 2001–02 income year if:

- the total current year capital gains are greater than \$10 000 or

- the total current year capital losses are greater than \$10 000.

Section 2 in this part of the guide explains how to complete the CGT schedule.

If your entity is required to complete a CGT schedule, attach it to your entity's 2001–02 tax return.

STEP 4 **Complete the capital gains item on your entity's tax return**

In the earlier steps, you calculated your capital gain or capital loss for each CGT event, then worked out your net capital gain or net capital loss.

You must record the details of your entity's net capital gain or net capital loss carried forward to later income years at the appropriate labels on its income tax return.

Section 1: Using the 2 worksheets—the *Capital gain or capital loss worksheet* and the *CGT summary worksheet*

This section explains how to complete the capital gains item on your entity's tax return using the *Capital gain or capital loss worksheet* and the *CGT summary worksheet*. If your entity also needs to complete a CGT schedule, work through this section first, then go to section 2 for instructions on how to complete a CGT schedule.

SECTION 1A: How to complete the *Capital gain or capital loss worksheet*

The *Capital gain or capital loss worksheet* calculates a capital gain or capital loss for each separate CGT event. As explained in step 1 on page 78, remember that:

- you show the type of CGT asset or CGT event that resulted in the capital gain or capital loss
- if a capital gain was made, you calculate it using:
 - the indexation method (see note 2 to the worksheet)
 - the discount method (see note 3 to the worksheet)
 - the 'other' method (if neither the indexation method nor the discount method applies).

When choosing between the indexation and discount methods, the amounts at (a) and (b) at the bottom of the worksheet do not yet reflect any capital losses or CGT discount you may be able

to apply. This affects your choice of the amount to transfer to the *CGT summary worksheet* which you can use to calculate your net capital gain or net capital loss.

SECTION 1B: How to complete the CGT summary worksheet

The parts in this section relate to the parts of the *CGT summary worksheet*. Work through each relevant part to complete your worksheet.

Part A: Total current year capital gains

In **part A** you show your entity's total current year capital gains.

Part A1: Current year capital gains (other than capital gains from collectables)

NOTE What to include and exclude

You generally do not include any capital gain to which an exemption (for example, the small business 15-year exemption) or exception applies.

However you must include in the **Active assets** columns, capital gains for which your entity may be exempt because it is entitled to one or more of the:

- small business 50 per cent active asset reduction
- small business retirement exemption
- small business roll-over.

At **A** to **I** and **M** to **U** on the worksheet, show the current year capital gains (other than from collectables) transferred from the *Capital gain or capital loss worksheets*.

Trust capital gains

You must also include at **G** to **I** and **S** to **U** on this worksheet any distribution from a trust of a net capital gain from a CGT event (other than one involving a collectable) that your entity is entitled to.

You must use the same method as the method used by the trustee to calculate your entity's capital gain from the trust. For example, if the trustee used the discount method to calculate a capital gain, you must use the same method. In some cases your entity must gross up the amount of the trust capital gain. If this applies, you include the grossed-up amount at **H**, **S**, **T**, and **U**, as explained below.

If the trustee used the discount method to calculate a capital gain, you need to gross it up by multiplying the distribution amount by 2. You include the result at **H**. Grossing up ensures that any capital losses your entity has made are deducted from your entity's

grossed-up capital gain before the CGT discount is applied.

If the trust's capital gain was reduced by the small business 50 per cent active asset reduction, again it needs to be grossed-up by multiplying the distribution amount by 2. Include the result at **S** or **U**.

If the trust's capital gain was reduced by the CGT discount and by the small business 50 per cent active asset reduction, multiply the distribution amount by 4 and include the result at **T**.

Amount of capital gain

Show the full amount of all capital gains in **part A1**. Do not show the amount remaining after applying:

- capital losses (which are applied on page 4 of the worksheet at **part D**).
- the CGT discount (which is applied on page 6 of the worksheet at **part F**) or
- the CGT small business concessions (which are applied on page 7 of the worksheet at **part G**).

Once you have completed **part A1**, transfer the amounts at **A1** to **A6** to the corresponding **A1** to **A6** in **part A3** of the *CGT summary worksheet*.

Part A2: Capital gains and capital losses from collectables



Did your entity make a capital gain or a capital loss from a collectable during the income year? Or did the entity receive a distribution from a trust during the income year that includes a net capital gain from a collectable?

YES

Read on.

NO

Go to **part A3**.

Transfer any capital gains and capital losses from collectables from the *Capital gain and capital loss worksheets* to **C1**, **C2**, **C3** or **C4** on your *CGT summary worksheet*.

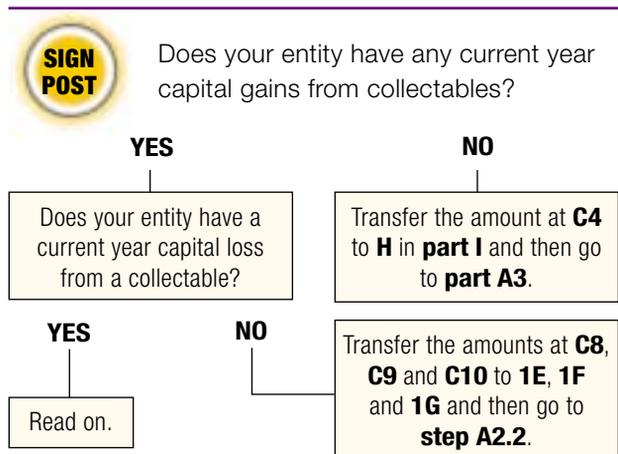
If your entity was entitled to a distribution of a net capital gain from a trust resulting from a collectable, show this amount at **C5** to **C7**. You must use the same method as the trustee to calculate your entity's capital gain from the trust. For example, if the trustee used the discount method to calculate a capital gain, you need to do the same and show the grossed up amount at **C6**.

If the trustee used the discount method to calculate a capital gain, you gross it up by multiplying the distribution amount by 2. Grossing up ensures that any capital losses your entity has made are subtracted from your grossed-up capital gain before the CGT discount is applied.

The totals of all of your entity's capital gains from collectables are shown at **C8** to **C10**.

Step A2.1: Deduct any current year capital losses (CYCL) from collectables from current year capital gains (CYCG) from collectables

If your entity has any current year capital losses from collectables, deduct these from any current year capital gains from collectables. This reduces your CGT obligation. If your entity has current year capital losses from collectables that can be deducted they must be deducted here. You cannot choose to defer to a later year any amount that can be deducted this year.



Deduct any current year capital losses from collectables (shown at **C4**) from your current year capital gains from collectables (shown at **C8** to **C10**). You can do this in the order that gives the best result, which would usually be to apply the losses against:

- 1 capital gains calculated using the 'other' method, then
- 2 capital gains calculated using the indexation method, then
- 3 capital gains calculated using the discount method.

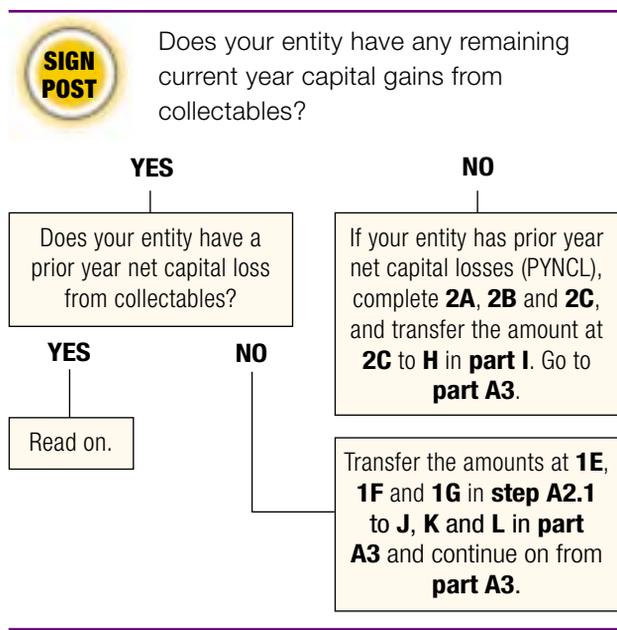
Show the amounts deducted from capital gains from your collectables at **1A** to **1C**, depending on the choice made about how to deduct the losses. The total losses from collectables deducted from gains from collectable are shown at **1D**.

Show any remaining capital gains from collectables at **1E** to **1G**.

If your entity has any unapplied current year capital loss from collectables (**C4** minus **1D**), you can carry this forward to reduce the capital gains from collectables in later income years. Transfer the amount of unapplied current year capital losses from collectables to **H—UNCL from collectables** in **part I**.

Step A2.2: Apply any prior year net capital losses (PYNCL) from collectables

If your entity has prior year net capital losses that can be deducted, they must be deducted here. You cannot choose to defer to a later year any amount that can be deducted this year.



At **2C**, show the available prior year net capital losses from collectables after you have made any necessary adjustments for commercial debts forgiven shown at **2B**. For more information on commercial debts forgiven, see page 8 of this guide and refer to your entity's tax return instructions.

Again, prior year net capital losses from collectables can be deducted from any remaining capital gains from collectables in the manner that produces the best result. They must however be deducted in the order in which they were made—for example, a 1995–96 year capital loss should be deducted before a 1998–99 year capital loss.

At **2D** to **2F**, show the amounts of prior year net capital losses (PYNCL) from collectables in the order you have chosen.

At **2G**, show the total amount of prior year net capital losses from collectables that have been deducted from the current year capital gains from collectables.

At **J, K** and **L** in **step A2.2**, show the capital gains from collectables after you have applied the current year capital losses and prior year net capital losses from collectables.

You can carry forward any unapplied net capital losses from collectables (**2C** minus **2G**) but in later income years you can only use them to reduce any capital gains from collectables (not from other CGT events).

When you have completed **step A2.2**, transfer:

- the amounts at **J, K** and **L** to the corresponding labels in **part A3** and
- the amount of unapplied prior year net capital loss from collectables (referred to above) to **H—UNCL from collectables** in **part I** (together with any unapplied current year capital losses from collectables at **step A2.1**).

Part A3: Total current year capital gains (CYCG)

At **A3**, show the total of your entity's capital gains, including any net capital gain from collectables.

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Your entity may not have any of the following losses:

- current year capital losses
- prior year net capital losses
- capital losses transferred in.

In this case, transfer the amounts at **A7** to **A12** in **part A3** to **A** to **F** in **part E** and continue on from **part F**.

If your entity has one or more of these losses, read on.

Part B: Current year capital losses (CYCL), other than from collectables

In **part B** you show any current year capital losses your entity has made from:

- shares and units (in unit trusts) at **A**
- real estate at **B**
- other CGT assets and any other CGT events at **C**.

The total is shown at **D**.

You can transfer these from your *Capital gain or capital loss worksheets*.

If your entity does not have any current year capital losses (other than from collectables), go to **part D**.

Do not include at **C—Other CGT assets and any other CGT events** any capital loss made from personal use assets. Capital losses from personal

use assets are disregarded and cannot be applied to reduce capital gains.

Capital losses made from collectables are not shown in **part B**, they should have been shown in **part A2**.

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Now go straight to **part D**—there is no **part C** in this worksheet.

Part D: Applying capital losses against current year capital gains

In **part D** you show your entity's current year capital gains reduced by:

- current year capital losses (CYCL), other than from collectables (**step D1**)
- prior year net capital losses (PYNCL), other than from collectables (**step D2**) and
- capital losses transferred in (for companies only—**step D3**).

Step D1: Apply current year capital losses (CYCL), other than capital losses from collectables

If your entity has current year capital losses, other than capital losses from collectables, that can be deducted they must be deducted here. You cannot choose to defer to a later year any amount that can be deducted this year.

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Have you shown current year capital gains (CYCG) for your entity at **A7** to **A12** in **part D**?

YES

Does your entity have current year capital losses (CYCL) or prior year net capital losses (PYNCL), other than from a collectable, or capital losses transferred in?

NO

Transfer **D** in **part B** to **I** in **part I** of the worksheet, then go to **step D2**.

YES

If your entity has CYCL, read on.
If your entity has only PYNCL, transfer the amounts at **A7** to **A12** in **part D** to **3G** to **3L** in **step D1** and then go to **step D2**.

NO

Transfer the amounts at **A7** to **A12** in **part D** to **A** to **F** in **part E** and continue on from **part F**.

If your entity has only capital losses transferred in, go to **step D3**.

You can choose the order in which you deduct your entity's current year capital losses (at **D** in **part B**) from the current year capital gains (at **A7** to **A12**).

Generally, if your entity is entitled to the CGT small business concessions, it is better to reduce the non-active asset capital gains first. Within the non-active and active categories the greatest benefit is usually obtained by reducing:

- 1 capital gains calculated using the 'other' method, then
- 2 capital gains calculated using the indexation method, then
- 3 capital gains calculated using the discount method.

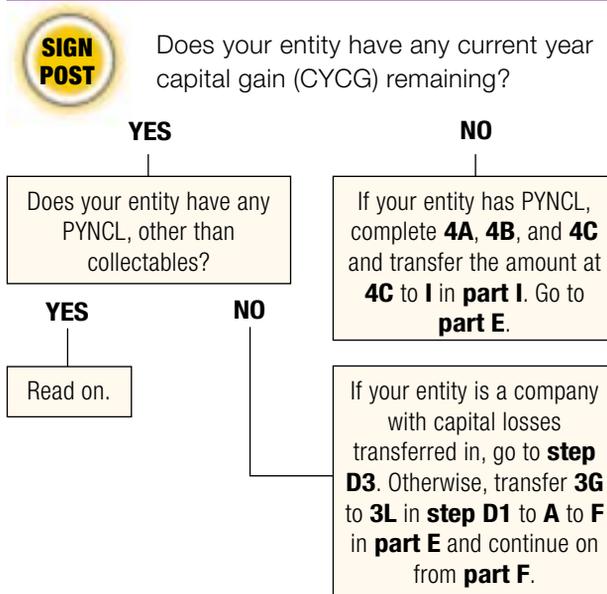
At **3A** to **3F**, show the amounts of current year capital losses deducted in the order you have chosen with the total at **H**. At **3G** to **3L**, show the capital gains after applying (deducting) the current year capital losses.

You can carry forward any unapplied current year capital loss other than from collectables (**D** in **part B** minus **H**) to reduce capital gains in later income years.

When you have completed **step D1**, transfer the amount of unapplied current year capital losses (**D** minus **H**) to **I—UNCL from other CGT assets** in **part I**.

Step D2: Apply any prior year net capital losses (PYNCL), other than PYNCL from collectables

If your entity has prior year net capital losses, other than prior year net capital losses from collectables, that can be deducted, they must be deducted here. You cannot choose to defer to a later year any amount that can be deducted this year.



Reduce the prior year net capital losses at **4A** by any adjustment for commercial debts forgiven at **4B**. For more information on commercial debts forgiven, see page 8 of this guide and refer to your entity's tax return instructions.

Again, prior year net capital losses can be deducted from any remaining capital gains in the manner that produces the best result. See discussion for **step D1**. They must however be deducted in the order in which they were made—for example, a 1995–96 year capital loss must be deducted before a 1998–99 year capital loss.

At **4D** to **4I**, show the amounts of prior year net capital losses (PYNCL) in the order you have chosen and the total at **L**. At **4J** to **4O**, show the capital gains after you have applied the current year capital losses and PYNCL.

You can carry forward any unapplied prior year net capital losses (**4C** minus **L**) to reduce the capital gains in later income years.

When you have completed **step D2**, transfer the amount of unapplied prior year net capital losses (**4C** minus **L**) to **I—UNCL from other CGT assets** in **part I** (together with any unapplied current year capital losses at **step D1**).

SIGN POST If your entity is a company with capital losses transferred in, go to **step D3**. Otherwise, transfer the remaining capital gain amounts at **4J** to **4O** to **A** to **F** in **part E**.

Step D3: Apply any capital losses transferred in

Only follow this step if your entity is a company with capital losses transferred in.

The capital losses transferred in to your entity need to be applied in the order they were received. Your entity must have enough capital gains to absorb the capital losses transferred in.

When you have completed **step D3**, transfer the amount of CYCG remaining after applying CYCL, PYNCL (**4J to 4O** in **step D2**) and capital losses transferred in to **A to F** in **part E**.

Part E: Current year capital gains (CYCG) after applying capital losses

In **part E** you show your entity's current year capital gains reduced by current year capital losses, prior year net capital losses and capital losses transferred in.

Part F: CGT discount on capital gains

In **part F** you apply the CGT discount.



Does your entity have a capital gain at **Capital gains—discount method (B or E)** in **part E**?

YES

Read on.

NO

Go to **part G**.**NOTE CGT discount**

Companies are not eligible for the CGT discount unless they are life insurance companies or friendly societies that carry on life insurance business. These companies may be entitled to the CGT discount in relation to their complying superannuation business.

Next, calculate the CGT discount that applies to the capital gains at **B** and **E** in **part E**. The CGT discount percentage is:

- 33 $\frac{1}{3}$ per cent for complying superannuation entities or
- 50 per cent for individuals and trusts.

Show the amount of the CGT discount at **J** and **K** in **part F**.

Show the amount of your remaining capital gains at **6A to 6F** in **part F**.

Part G: CGT small business concessions (other than the small business 15-year exemption)

In **part G** you apply the CGT small business concessions your entity is claiming. For more

information about the CGT small business concessions, get the publication *CGT concessions for small business* from the sources listed at the back of this guide.



Is your entity eligible for the CGT small business concessions?

YES

Read on.

NO

Go to **part H**.

Show :

- the amount of your entity's small business 50 per cent active asset reduction (SBAAR) at **L to N**
- the amount of your entity's small business retirement exemption (SBRE) at **O to Q**
- the amount of your entity's small business roll-over (SBRO) at **R to T**.

Show the total amount of the small business concessions your entity is claiming at **7A to 7D** of **part G**.

Part H: Net capital gain calculation

In **part H** you show the amount of your entity's net capital gain.

Your entity's net capital gain is the amount remaining after applying any current year capital losses, net capital losses from prior years, capital losses transferred in, the CGT discount and any applicable CGT small business concessions.

A net capital gain is included as assessable income on your entity's income tax return at the relevant item. See section 1c on the next page.

Part I: Unapplied net capital losses carried forward to later income years

In **part I** you show any unapplied net capital losses that your entity is carrying forward. These losses will be available to reduce any capital gains in later income years.



Does your entity have any unapplied net capital losses?

YES

Read on.

NO

You have finished the worksheet.

At **H** and **I**, show details of any capital losses that are unapplied (that is, that have not been used).

At **H**, show the unapplied capital losses from collectables only. This is the sum of:

- any current year capital losses from collectables that have not been used to reduce capital gains from collectables this income year (that is, deduct **1D** in **step A2.1** from **C4** in **part A2**) and
- any prior year net capital losses from collectables that have not been used to reduce capital gains from collectables this income year (that is, deduct **2G** in **step A2.2** from **2C** in **step A2.2**).

At **I**, show all of the other capital losses; that is, the sum of:

- the current year capital losses that have not been used to reduce capital gains (that is, deduct **H** in **step D1** from **D** in **part B**) and
- the prior year net capital losses that have not been used to reduce capital gains (that is, deduct **L** in **step D2** from **4C** in **step D2**).

At **V**, show the total of the amounts at **H** and **I**.

The amounts at **H** and **I** are the unapplied net capital losses available to be carried forward and used to reduce your capital gains in later income years. Unapplied net capital losses from collectables can only be used to reduce capital gains from collectables in later income years.

SECTION 1C: How to complete the capital gains item on your entity's tax return

If your entity is required to complete a CGT schedule, you do not need to read this section: go to section 2 instead. If you are not sure whether you are required to complete a CGT schedule, check on page v at the beginning of this guide.

If your company, trust or fund is not required to complete a CGT schedule:

- transfer the amount at **G** in **part H** of your entity's *CGT summary worksheet* to **A Net capital gain** on your entity's tax return
- add amounts at **H** and **I** in **part I** of your entity's *CGT summary worksheet* and show the total amount at **Losses information, V Net capital losses carried forward to later income years** on your entity's tax return.

If you are an individual completing your *2002 tax return for individuals* (supplementary section) or a tax agent completing a tax return on behalf of an individual:

- transfer the amount at **Total CYCG, part A3** of your *CGT summary worksheet* to **H Total current year capital gains** item **17 Capital gains** on your tax return

- transfer the amount at **G, part H** of your *CGT summary worksheet* to **A Net capital gain** item **17 Capital gains** on your tax return
- add amounts at **H** and **I** in **part I** of your *CGT summary worksheet* and show the total at **V Net capital losses carried forward to later income years** item **17 Capital gains** on your tax return.

Section 2: Using the 2 worksheets—the *Capital gain or capital loss worksheet* and the *CGT summary worksheet*—and the CGT schedule

You should read this section if your entity needs to complete a CGT schedule as well as your tax return labels. Your entity is required to complete a CGT schedule if:

- the total current year capital gains are greater than \$10 000 or
- the total current year capital losses are greater than \$10 000.

SECTION 2A: How to complete the worksheets

To complete your entity's CGT schedule, you may still find it useful to first complete a *Capital gain or capital loss worksheet* for each CGT event.

You should complete a *CGT summary worksheet* to work out your entity's net capital gain or net capital loss. The figures from this worksheet are generally transferred to the corresponding area in the CGT schedule. Some additional information must be provided in **parts J** to **P** of the schedule.

Refer to sections 1a and 1b starting on page 79 to find out how to complete these worksheets, then go to section 2b on page 85 to find out how to complete your entity's CGT schedule.

SECTION 2B: How to complete the CGT schedule

You need to follow these instructions carefully to make sure you complete your entity's CGT schedule correctly.

Print your entity's TFN, name and Australian Business Number in the boxes provided. The CGT schedule must be signed in the same way that the 2001–02 tax return is signed.

Take the following steps to transfer the relevant information from your *CGT summary worksheet*.

Part A

- 1 Transfer the amounts from **A** to **I** and from **M** to **U** on your *CGT summary worksheet* to the corresponding labels in **part A** of the CGT schedule.
- 2 Transfer the amounts at **J**, **K** and **L** on your CGT summary worksheet (after **step A2.2**) to the corresponding labels in **part A** of the CGT schedule.

Part B

Transfer the amounts at **A**, **B**, **C** and **D** on your *CGT summary worksheet* to the corresponding labels in **part B** of the CGT schedule.

Part C

There is no part C in the CGT schedule.

Part D

From **step D1** on page 4 of the *CGT summary worksheet*:

- 1 Add the amounts at columns **3A** and **3D** and transfer the total to **E** in **part D** of the CGT schedule.
- 2 Add the amounts at columns **3B** and **3E** and transfer the total to **F** in **part D** of the CGT schedule.
- 3 Add the amounts at columns **3C** and **3F** and transfer the total to **G** in **part D** of the CGT schedule.
- 4 Transfer the **Total CYCL applied** amount at **H** to **H** in **part D** of the CGT schedule.

From **step D2** on page 5 of the *CGT summary worksheet*:

- 1 Add the amounts at columns **4D** and **4G** and transfer the total to **I** in **part D** of the CGT schedule.
- 2 Add the amounts at columns **4E** and **4H** and transfer the total to **J** in **part D** of the CGT schedule.
- 3 Add the amounts at columns **4F** and **4I** and transfer the total to **K** in **part D** of the CGT schedule.
- 4 Transfer the **Total PYNCL applied** amount at **L** to **L** in **part D** of the CGT schedule.

From **step D3** on page 5 of the *CGT summary worksheet*:

- 1 Add the amounts at columns **5A** and **5D** and transfer the total to **M** in **part D** of the CGT schedule.

- 2 Add the amounts at columns **5B** and **5E** and transfer the total to **N** in **part D** of the CGT schedule.
- 3 Add the amounts at columns **5C** and **5F** and transfer the total to **O** in **part D** of the CGT schedule.
- 4 Transfer the **Total capital losses transferred in** amount at **P** to **P** in **part D** of the CGT schedule.

Part E

Transfer the amounts at **A**, **B**, **C**, **D**, **E** and **F** of the *CGT summary worksheet* to the corresponding labels in **part E** of the CGT schedule.

Part F

Transfer the amounts at **J** and **K** of the *CGT summary worksheet* to the corresponding labels in **part F** of the CGT schedule.

Part G

Transfer the amounts at rows **L** to **N**, **O** to **Q** and **R** to **T** of the *CGT summary worksheet* to the corresponding labels in **part G** of the CGT schedule.

Part H

Transfer the amount at **G** of the *CGT summary worksheet* to **G** in **part H** of the CGT schedule.

Part I

Transfer the amounts at **H** and **I** of the *CGT summary worksheet* to the corresponding labels in **part I** of the CGT schedule.

Part J

Write the total amount of any capital gains disregarded by the small business 15-year exemption (do not apply the CGT discount). **J**

Print in the box at **K** the code from the list below that best describes the CGT asset or CGT event from which your entity made the capital gain. If your entity made capital gains from more than one CGT asset or CGT event, select the code which best describes the type of CGT asset or CGT event that produced the largest amount of capital gain.

CGT asset or CGT event code **K**

S shares

U units in unit trusts

R real estate

G goodwill

O other CGT assets or CGT events not listed above

Part K

During the income year, did your entity choose scrip-for-scrip roll-over when an arrangement was made to exchange original interests for replacement interests?

Original interests are shares or units or other interests (or an option, right or similar interest in a company or trust), while replacement interests are similar interests in another company or trust.

Print **Y** for **yes** or **N** for **no** at **A**. **A**

If you printed **Y** for **yes**:

Write at **B** the amount of the cost base for all of the original interests exchanged (regardless of whether or not full roll-over was available). **B**

Write at **C** the total of the market value of the replacement interests acquired. **C**

Write at **D** the total of the amount of cash and other consideration received, do not include any amount already included at **C**. **D**

Part L (for companies and trusts only)

Was the company or trust an 'acquiring entity' during the income year under an arrangement for which original interest holders qualified for scrip-for-scrip roll-over? Print **Y** for **yes** or **N** for **no** at **E**. **E**

If you printed **Y** for **yes**, provide the information requested below in relation to the arrangement. If interests were acquired in more than one original entity, write at **F** the number of original entities subject to such arrangements and provide the information requested below in respect of the arrangement involving the greatest cost base for the interests acquired. **F**

Show at **G** the TFN for the original entity. **G**

Show at **H** the number of shares, units or other interests issued in exchange for the shares or units or other interests acquired in the original entity. **H**

Show at **I** the number of options, rights or similar interests issued in exchange for the options, rights or similar interests acquired in the other entity. **I**

Show at **J** the amount of other consideration (including cash) given to acquire the shares, units or other interests, options, rights or similar interests in the original entity. **J**

Show at **K** the total of the first element of the cost bases of the shares, units or other interests, options, rights or similar interests acquired in the original entity as a result of the arrangement. **K**

Did the company that issued replacement interests or the trustee of the trust, jointly with a significant or common stakeholder, choose to obtain a roll-over? **L**

Print **Y** for **yes** or **N** for **no** at **L**.

If the answer at **L** is **yes**, show at **M** the total of the first element of the cost bases of the shares, or units or other interests, or options, rights or similar interests in the original entity (original interests) acquired directly from significant and common stakeholders for the arrangement, or issued by the original entity to the company or trust and attributable to original interests of significant and common stakeholders that were cancelled under the arrangement. **M**

Part M (for companies only)

Did the company have an employee share scheme in place at any time during the year?

Print **Y** for **yes** or **N** for **no** at **N**. **N**

Part N (for companies only)

At the end of the income year, did the company still have any assets that were acquired before 20 September 1985 and that were not treated as post-CGT assets under Division 149? Print **Y** for **yes** or **N** for **no** at **O**. **O**

Part O (for companies only)

During the income year, did the company have a share in, or a loan to, an associated company which either:

- forgave a debt owed by another company under common ownership or
- suffered a substantial and permanent reduction in the value of the debt owed to it by the other company under common ownership?

Print **Y** for **yes** or **N** for **no** at **P**. **P**

If the answer at **P** is **yes**, show at **Q** the total amount by which the company reduced the cost bases of all its shares and loans to the associated company. **Q**

During the income year, did a CGT event happen to a share held by the company in an associated company, where the associated company had previously owed a debt to a company under common ownership and that company under common ownership either forgave the debt or suffered a permanent and substantial reduction in the value of the debt? Print **Y** for **yes** or **N** for **no** at **R**. **R**

If the answer at **R** is **yes**, show at **S** the total amount by which the company adjusted the cost bases of all its shares in the associated company to which a CGT event happened. **S**

Part P (for companies only)

During the income year, did a CGT event happen to a share in, or loan to, another company in the same wholly owned group, where that other company (or a company in which it had a direct or indirect interest) had previously transferred a tax loss or a net capital loss to any company in the group?

Print **Y** for **yes** or **N** for **no** at **T**.

If the answer at **T** is **yes**, show at **U** the total amount by which the company reduced the cost bases of such assets.

During the income year, did a CGT event happen to an asset of the company that was a share in, or a loan to, another company in the same wholly owned group, where a company in the group had previously transferred a tax loss or a net capital loss to that company (or a company in which it had a direct or indirect interest)? Print **Y** for **yes** or **N** for **no** at **V**.

If the answer at **V** is **yes**, show at **W** the amount by which the company adjusted the cost bases of such assets.

T**U****V****W**

After following all these steps, you should have completed your entity's CGT schedule. Now you need to:

- follow the directions in section 2c below to complete your 2001–02 tax return
- lodge both the tax return and the CGT schedule together.

You should not lodge your worksheets—keep these with your own records.

SECTION 2C: How to complete the capital gains item on your entity's tax return

Once you have completed the CGT schedule, you need to complete your entity's 2001–02 tax return by following these steps:

- transfer the amount at **G** in **part H** of your entity's CGT schedule to **A Net capital gain** on your entity's tax return
- add amounts at **H** and **I** in **part I** of your entity's CGT schedule and print the total amount at **Losses information, V Net capital losses carried forward to later income years** on your entity's tax return.

Remember to lodge your tax return and your CGT schedule together.