APPENDIXES

Appendixes

APPENDIX 1
Summary of CGT events

DISPOSAL				
CGT event		**Time of event**	**Capital gain**	**Capital loss**
A1	Disposal of a CGT asset	when the disposal contract is entered into or, if none, when the entity stops being the asset's owner	capital proceeds from disposal *less* the asset's cost base	asset's reduced cost base *less* capital proceeds

HIRE PURCHASE AND SIMILAR AGREEMENTS				
CGT event		**Time of event**	**Capital gain**	**Capital loss**
B1	Use and enjoyment before title passes	when use of the CGT asset passes	capital proceeds *less* the asset's cost base	asset's reduced cost base *less* capital proceeds

END OF A CGT ASSET				
CGT event		**Time of event**	**Capital gain**	**Capital loss**
C1	Loss or destruction of a CGT asset	when compensation is first received or, if none, when the loss is discovered or destruction occurred	capital proceeds *less* the asset's cost base	asset's reduced cost base *less* capital proceeds
C2	Cancellation, surrender and similar endings	when the contract ending an asset is entered into or, if none, when an asset ends	capital proceeds from the ending *less* the asset's cost base	asset's reduced cost base *less* capital proceeds
C3	End of an option to acquire shares and so on	when the option ends	capital proceeds from granting the option *less* expenditure in granting it	expenditure in granting the option *less* capital proceeds

BRINGING A CGT ASSET INTO EXISTENCE				
CGT event		**Time of event**	**Capital gain**	**Capital loss**
D1	Creating contractual or other rights	when the contract is entered into or the right is created	capital proceeds from creating the right *less* incidental costs of creating the right	incidental costs of creating the right *less* capital proceeds
D2	Granting an option	when the option is granted	capital proceeds from the grant *less* expenditure to grant it	expenditure to grant the option *less* capital proceeds
D3	Granting a right to income from mining	when the contract is entered into or, if none, when the right is granted	capital proceeds from the grant of right *less* the expenditure to grant it	expenditure to grant the right *less* capital proceeds
D4	Entering into a conservation covenant	when covenant is entered into	capital proceeds from covenant *less* cost base apportioned to the covenant	reduce cost base apportioned to the covenant *less* capital proceeds from covenant

TRUSTS				
CGT event		**Time of event**	**Capital gain**	**Capital loss**
E1	Creating a trust over a CGT asset	when the trust is created	capital proceeds from creating the trust *less* the asset's cost base	asset's reduced cost base *less* capital proceeds
E2	Transferring a CGT asset to a trust	when the asset is transferred	capital proceeds from the transfer *less* the asset's cost base	asset's reduced cost base *less* capital proceeds
E3	Converting a trust to a unit trust	when the trust is converted	market value of the asset at that time *less* its cost base	asset's reduced cost base *less* that market value
E4	Capital payment for trust interest	when the trustee makes the payment	non-assessable part of the payment *less* the cost base of the trust interest	*no capital loss*
E5	Beneficiary becoming entitled to a trust asset	when the beneficiary becomes absolutely entitled	for a trustee – market value of the CGT asset at that time *less* its cost base; for a beneficiary – that market value *less* the cost base of the beneficiary's capital interest	for a trustee – reduced cost base of the CGT asset at that time *less* that market value; for a beneficiary – reduced cost base of the beneficiary's capital interest *less* that market value
E6	Disposal to a beneficiary to end an income right	the time of the disposal	for a trustee – market value of the CGT asset at that time *less* its cost base; for a beneficiary – that market value *less* the cost base of the beneficiary's right to income	for a trustee – reduced cost base of the CGT asset at that time *less* that market value; for a beneficiary – reduced cost base of the beneficiary's right to income *less* that market value
E7	Disposal to a beneficiary to end capital interest	the time of the disposal	for a trustee – market value of the CGT asset at that time *less* its cost base; for a beneficiary – that market value *less* the cost base of the beneficiary's capital interest	for a trustee – reduced cost base of the CGT asset at that time *less* that market value; for a beneficiary – reduced cost base of the beneficiary's capital interest *less* that market value
E8	Disposal by a beneficiary of capital interest	when the disposal contract is entered into or, if none, when the beneficiary ceases to own the CGT asset	capital proceeds *less* the appropriate proportion of the trust's net assets	appropriate proportion of the trust's net assets *less* the capital proceeds
E9	Creating a trust over future property	when the entity makes an agreement	market value of the property (as if it existed when the agreement was made) *less* incidental costs in making the agreement	incidental costs in making the agreement *less* the market value of the property (as if it existed when the agreement was made)

LEASES				
CGT event		**Time of event**	**Capital gain**	**Capital loss**
F1	Granting a lease	for granting a lease – when the entity enters into the lease contract or, if none, at the start of the lease; for a lease renewal or extension – at the start of the renewal or extension	capital proceeds *less* the expenditure on grant, renewal or extension	expenditure on grant, renewal or extension *less* capital proceeds
F2	Granting a long-term lease	for granting a lease – when the *less*or grants the lease; for a lease renewal or extension – at the start of the renewal or extension	capital proceeds from the grant, renewal or extension *less* the cost base of the leased property	reduced cost base of the leased property *less* the capital proceeds from the grant, renewal or extension
F3	*Less*or pays *less*ee to get lease changed	when the lease term is varied or waived	*no capital gain*	amount of expenditure to get *less*ee's agreement
F4	*Less*ee receives payment for changing a lease	when the lease term is varied or waived	capital proceeds *less* the cost base of lease	*no capital loss*
F5	*Less*or receives payment for changing a lease	when the lease term is varied or waived	capital proceeds *less* expenditure in relation to variation or waiver	expenditure in relation to variation or waiver *less* capital proceeds

SHARES				
CGT event		**Time of event**	**Capital gain**	**Capital loss**
G1	Capital payment for shares	when the company pays a non-assessable amount	payment *less* cost base of shares	*no capital loss*
G3	Liquidator or administrator declares shares or financial instruments worth*less*	when declaration is made	*no capital gain*	shares' or financial instruments' reduced cost base

SPECIAL CAPITAL RECEIPTS				
CGT event		**Time of event**	**Capital gain**	**Capital loss**
H1	Forfeiture of a deposit	when the deposit is forfeited	deposit *less* expenditure in connection with the prospective sale	expenditure in connection with the prospective sale *less* deposit
H2	Receipt for an event relating to a CGT asset	when the act, transaction or event occurred	capital proceeds *less* the incidental costs	incidental costs *less* capital proceeds

CESSATION OF RESIDENCY				
CGT event		**Time of event**	**Capital gain**	**Capital loss**
I1	Individual or company stops being an Australian resident	when the individual or company stops being an Australian resident	for each CGT asset the person owns, its market value *less* its cost base	for each CGT asset the person owns, its reduced cost base *less* its market value
I2	Trust stops being a resident trust	when the trust ceases to be a resident trust for CGT purposes	for each CGT asset the trustee owns, its market value *less* its cost base	for each CGT asset the trustee owns, its reduced cost base *less* its market value

REVERSAL OF ROLLOVER				
CGT event		**Time of event**	**Capital gain**	**Capital loss**
J1	Company stops being a member of a wholly owned group after a rollover	when the company stops being a member of a wholly owned group after a rollover	market value of the asset at the time of the event *less* its cost base	reduced cost base of the asset *less* that market value
J2	Change in status of a CGT asset that was a replacement asset in a rollover under Subdivision 152-E	when the change in status happens	the amount of the capital gain that you disregarded under Subdivision 152-E	*no capital loss*
J3	A change happens in circumstances where a share in a company or an interest in a trust was a replacement asset in a rollover under Subdivision 152-E	when the change in circumstances happens	the amount of the capital gain that you disregarded under Subdivision 152-E	*no capital loss*
J4	Trust failing to cease to exist after rollover under Subdivision 124-N	when the failure to cease to exist happens	for the company – market value of the asset at the time the company acquired it *less* its cost base at that time for shareholder – market value of the share at the time the shareholder acquired it *less* its cost base at that time	for the company – reduced cost base of the asset at the time the company acquired it *less* its market value at that time for shareholder – reduced cost base of the share at the time the shareholder acquired it *less* its market value at that time

OTHER CGT EVENTS				
CGT event		**Time of event**	**Capital gain**	**Capital loss**
K2	Bankrupt pays an amount in relation to debt	when payment is made	*no capital gain*	that part of the payment that relates to the denied part of a net capital loss
K3	Asset passing to a tax-advantaged entity	when an individual dies	market value of the asset at death *less* its cost base	reduced cost base of the asset *less* that market value
K4	CGT asset starts being trading stock	when the asset starts being trading stock	market value of asset *less* its cost base	reduced cost base of asset *less* that market value
K5	Special capital loss from a collectable that has fallen in market value	when CGT event A1, C2 or E8 happens to shares in the company, or an interest in the trust, that owns the collectable	*no capital gain*	market value of the shares or interest (as if the collectable had not fallen in market value) *less* the capital proceeds from CGT event A1, C2 or E8
K6	Pre-CGT shares or trust interest	when another CGT event involving the shares or interest happens	capital proceeds from the shares or trust interest that are attributable to post-CGT assets owned by the company or trust, *less* the assets' cost bases	*no capital loss*
K7	Balancing adjustment occurs for a depreciating asset that you used for purposes other than taxable purposes	when the balancing adjustment event occurs	termination value *less* cost times fraction	cost *less* termination value times fraction

OTHER CGT EVENTS				
CGT event		**Time of event**	**Capital gain**	**Capital loss**
K8	Direct value shifts affecting your equity or loan interests in a company or trust	the decrease time for the interests	the capital gain worked out under section 725-365	*no capital loss*
K9	Entitlement to receive payment of a carried interest	when you become entitled to receive the payment	capital proceeds from the entitlement	*no capital loss*
K10	You make a forex realisation gain as a result of forex realisation event 2 and item 1 of the table in subsection 775-70(1) applies	when the forex realisation event happens	equal to the forex realisation gain	*no capital loss*
K11	You make a forex realisation loss as a result of forex realisation event 2 and item 1 of the table in subsection 775-70(1) applies	when the forex realisation event happens	*no capital gain*	equal to the forex realisation loss
K12	Foreign hybrid loss exposure adjustment	Just before the end of the income year	*no capital gain*	the amount stated in subsection 104-270(3)

CONSOLIDATIONS				
CGT event		**Time of event**	**Capital gain**	**Capital loss**
L1	Reduction under section 705-57 in tax cost setting amount of assets of entity becoming subsidiary member of consolidated group or MEC group	just after entity becomes subsidiary member	*no capital gain*	amount of reduction
L2	Amount remaining after step 3A etc of 'joining allocable cost amount is negative'	just after entity becomes subsidiary member	amount remaining	*no capital loss*
L3	Tax cost setting amounts for retained cost base assets exceed joining allocable cost amount	just after entity becomes subsidiary member	amount of excess	*no capital loss*
L4	No reset cost base assets against which to apply excess of net allocable cost amount on joining	just after entity becomes subsidiary member	*no capital gain*	amount of excess
L5	Amount remaining after step 4 of 'leaving allocable cost amount is negative'	when entity ceases to be subsidiary member	amount remaining	*no capital loss*
L6	Error in calculation of tax cost setting amount for joining entity's assets	start of the income year when the Commissioner becomes aware of the errors	the net overstated amount resulting from the errors, or a portion of that amount	the net understated amount resulting from the errors, or a portion of that amount
L7	Discharged amount of liability differs from amount for allocable cost amount purposes	start of the income year in which the liability is realised	your allocable cost amount *less* what it would have been had you used the correct amount for liability	what your allocable cost amount would have been had you used the correct amount for the liability *less* your allocable cost amount
L8	Reduction in tax cost setting amount for reset cost base assets on joining cannot be allocated	just after entity becomes subsidiary member	*no capital gain*	amount of reduction that cannot be allocated

APPENDIX 2
Consumer price index (CPI)

ALL GROUPS – WEIGHTED AVERAGE OF EIGHT CAPITAL CITIES

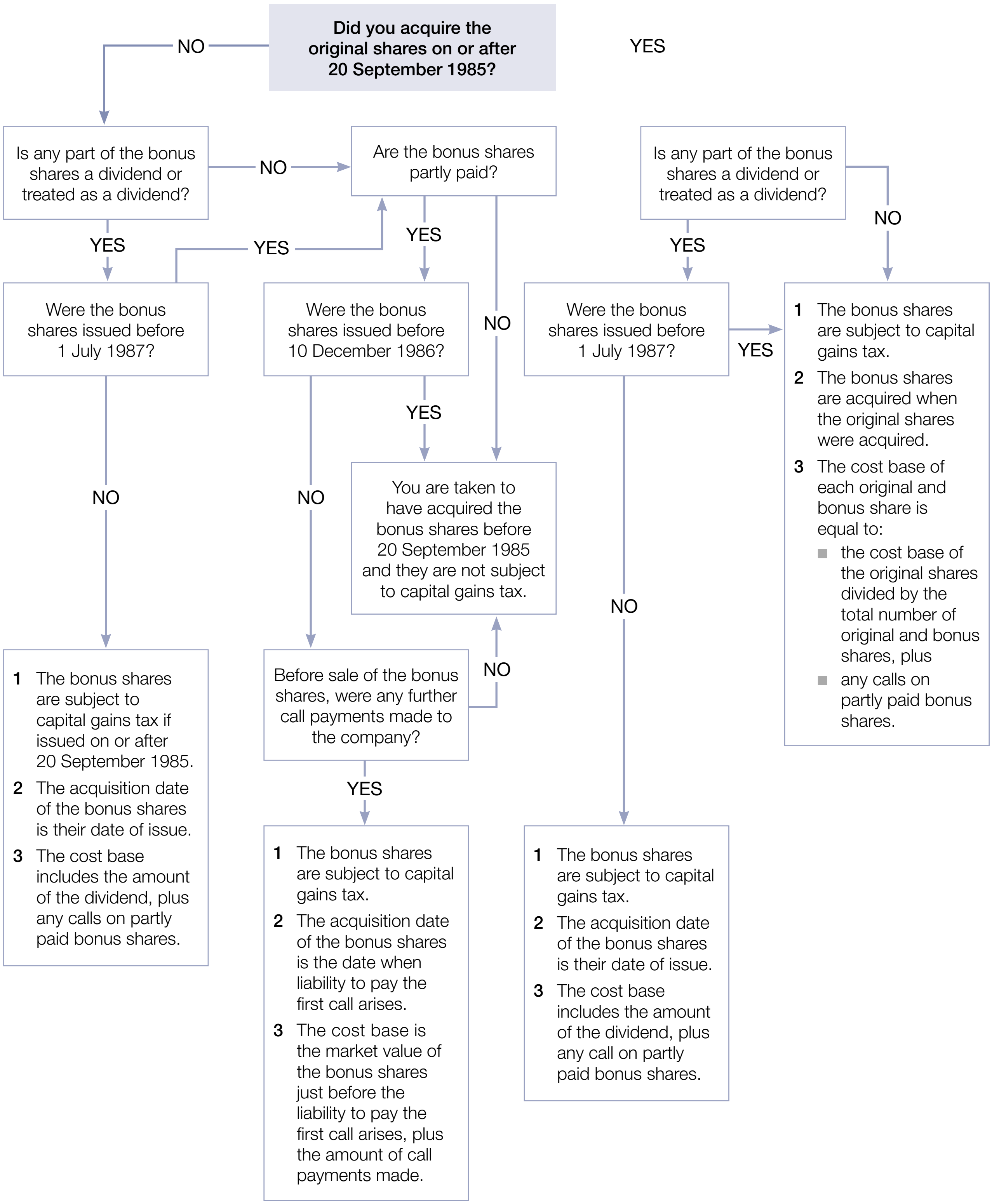
Year	Quarter ending			
	31 Mar	**30 Jun**	**30 Sep**	**31 Dec**
1985	–	–	71.3	72.7
1986	74.4	75.6	77.6	79.8
1987	81.4	82.6	84.0	85.5
1988	87.0	88.5	90.2	92.0
1989	92.9	95.2	97.4	99.2
1990	100.9	102.5	103.3	106.0
1991	105.8	106.0	106.6	107.6
1992	107.6	107.3	107.4	107.9
1993	108.9	109.3	109.8	110.0
1994	110.4	111.2	111.9	112.8
1995	114.7	116.2	117.6	118.5
1996	119.0	119.8	120.1	120.3
1997	120.5	120.2	119.7	120.0
1998	120.3	121.0	121.3	121.9
1999	121.8	122.3	123.4	N/A*

For an explanation of indexation and how it applies, see page 21.

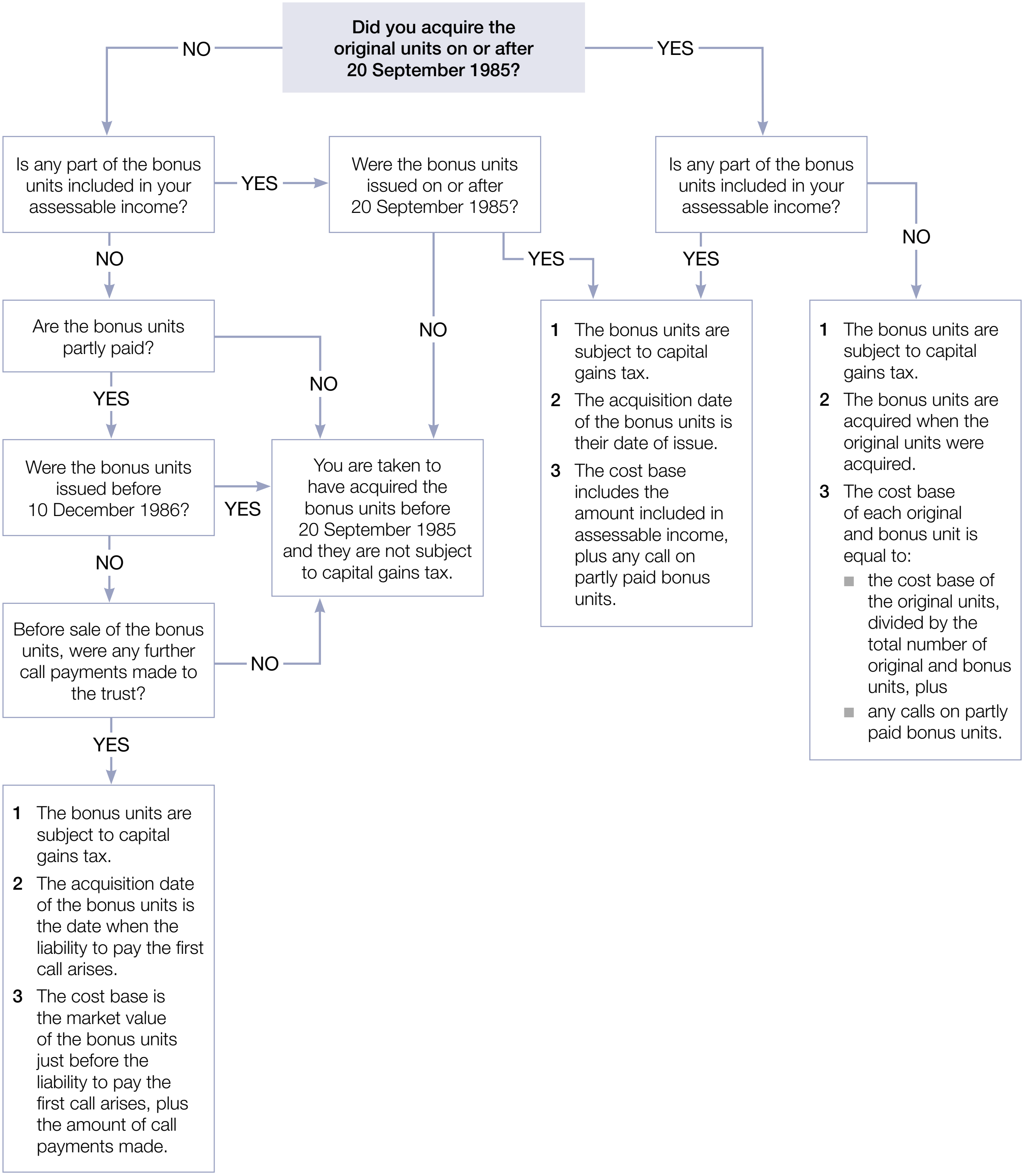
* If you use the indexation method to calculate your capital gain, the indexation factor is based on increases in the CPI up to September 1999 only.

APPENDIX 3
Flowcharts

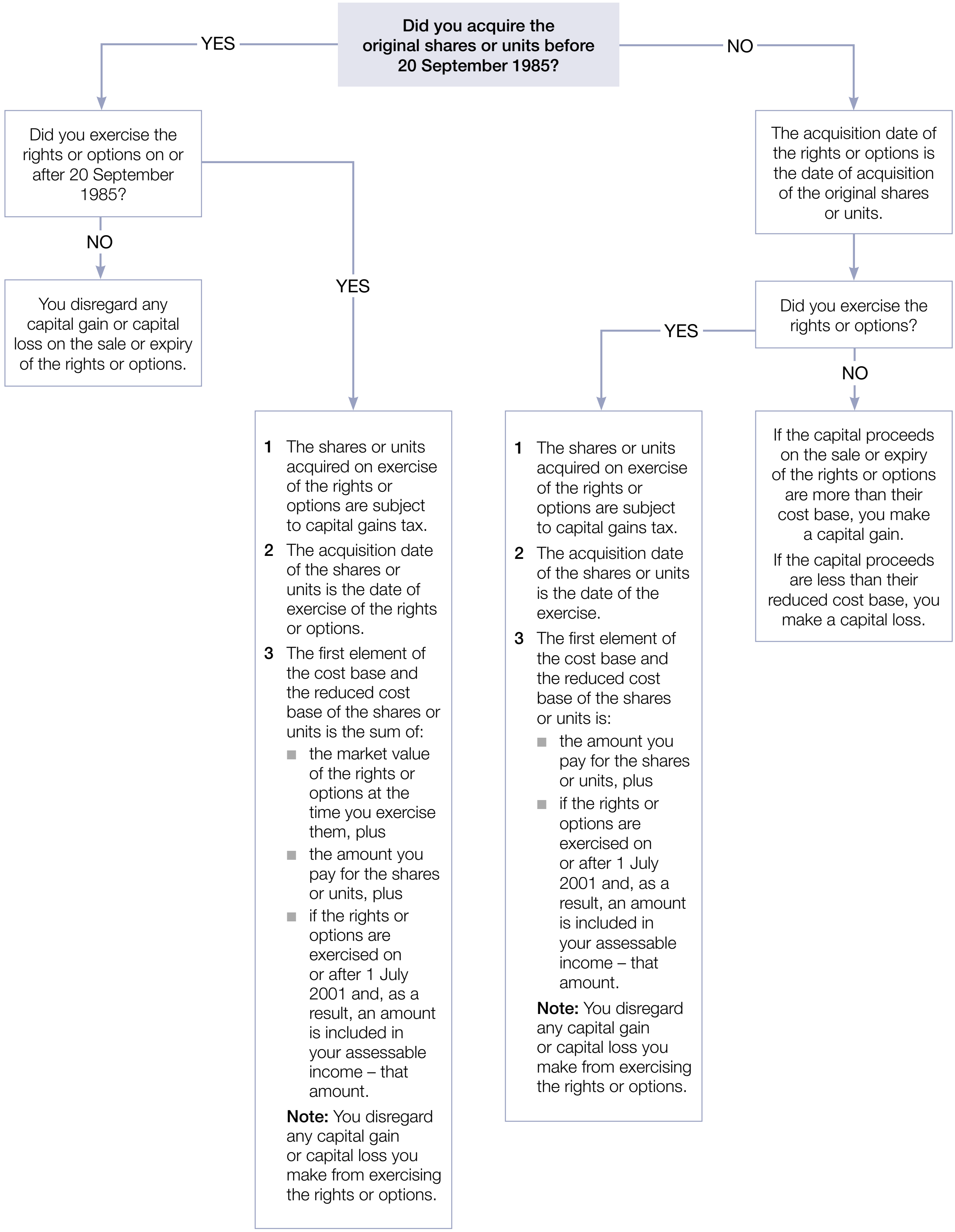
FLOWCHART 1 Treatment of **bonus shares** issued on or after 20 September 1985



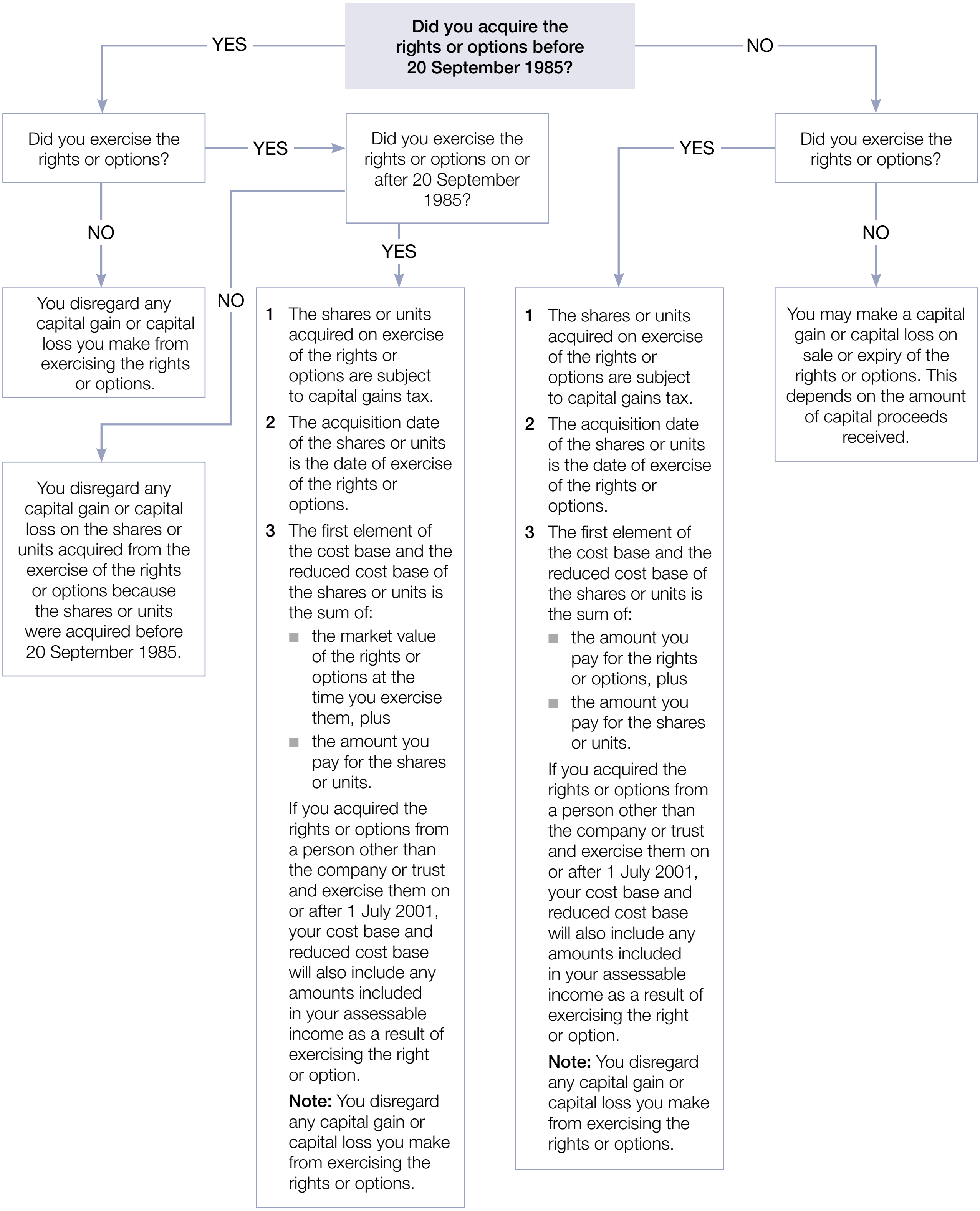
FLOWCHART 2 Treatment of **bonus units** issued on or after 20 September 1985



FLOWCHART 3 Treatment of rights or options to acquire shares or units issued directly to you from a company or trust for no payment (but not under an employee share scheme)



FLOWCHART 4 Treatment of rights or options (to acquire shares or units) that you paid to acquire from a company or trust – or that you acquired from another person (but not under an employee share scheme).



APPENDIX 4
Some major share transactions

COMPANY	DETAILS OF TRANSACTION
AMP Ltd	**Demutualisation** The acquisition cost for AMP Ltd shares was $10.43 per share and the acquisition date was 20 November 1997. **Demerger** In December 2003 the UK operations of AMP (referred to as 'HHG') were demerged from AMP. There were tax consequences from the demerger for shareholders in 2003–04 which are set out in our fact sheet *AMP Group demerger: How it affects Australian resident shareholders*. You can also work out the cost base of AMP and HHG shares after the demerger using the fact sheet or the AMP demerger calculator on our website at **www.ato.gov.au/demergers** (follow the link under 'Shareholder information'). If you used the AMP demerger calculator before December 2004, your 'AMP shares – cost base report' may be incorrect if, in the calculation, your two largest share parcels appear one after the other in the report and the difference between the two share parcels is 10 shares or less. See **AMP demerger** on page 38. **2005 return of capital** On 16 June 2005, AMP made a return of capital to shareholders of $0.40 per share. Shareholders needed to reduce the cost base and reduced cost base of each share by $0.40. For each share that had a cost base of less than $0.40, the difference was a capital gain in 2004–05. See our fact sheet *AMP 2005 return of capital*.
Australian Co-operative Foods Ltd	**Restructure** On 29 June 2004, Australian Co-operative Foods Ltd undertook a restructure which involved a number of steps, including its members receiving shares in Dairy Farmers Milk Co-operative Ltd. The CGT consequences are set out in our fact sheet *2004 Australian Co-operative Foods Ltd restructure*.
Australian Gas Light Company Ltd (AGL)	**Return of capital** On 29 April 2005, AGL made a return of capital to shareholders of $0.50 per share. Shareholders needed to reduce the cost base and reduced cost base of each share by $0.50. For each share that had a cost base of less than $0.50, the difference was a capital gain in 2004–05. See our fact sheet *Australian Gas Light Company (AGL) 2005 return of capital*.
Bank of Western Australia	**Takeover** During September 2003, HBOS plc acquired all shares in Bank of Western Australia. Minority shareholders received $4.25 per share. The shares were disposed of on or about 11 September 2003. If the capital proceeds of $4.25 were more than the cost base of the share, the difference was a capital gain in 2003–04. If $4.25 was less than the share's reduced cost base, the difference was a capital loss.

COMPANY	DETAILS OF TRANSACTION
BHP Billiton Limited	**Demerger** In July 2002 BHP shareholders received one BHP Steel Ltd share for every five BHP Billiton shares held. In November 2003 BHP Steel Limited changed its name to BlueScope Steel Limited. BHP Billiton has advised that BHP Steel represented 5.063% of the market value of the group as a whole just after the demerger. Shareholders who received BHP Steel shares should use this percentage to apportion the sum of the cost bases of their post-CGT BHP Billiton shares between these shares and the BHP Steel shares they received in relation to those post-CGT BHP Billiton shares. The fact sheet *2002 BHP Billiton Group demerger* and the demergers calculator on our website at **www.ato.gov.au/demergers** (follow the link under 'Shareholder information') will help you work out the cost bases of your BHP Billiton and BlueScope shares after the demerger. **2004 share buy-back** On 23 November 2004, BHP Billiton completed an off-market share buy-back. Shareholders who took part in the buy-back received $12.57 per share, which included a fully franked dividend of $10.47 per share. For capital gains tax purposes, they are taken to have received $4.04 per share. The date the shares were sold under the buy-back was 23 November 2004. If the capital proceeds of $4.04 were more than the cost base of the share, the difference is a capital gain to the shareholder in 2004–05. If $4.04 was less than the share's reduced cost base, the difference is a capital loss. See our fact sheet *BHP Billiton 2004 off-market share buy-back*.
BlueScope Steel Ltd	**2005 share buy-back** In February 2005, BlueScope Steel Ltd (formerly BHP Steel Ltd) announced a share buy-back. Shareholders who took part in the buy-back received $7.75 per share, which included a fully franked dividend of $4.68 per share. For capital gains tax purposes, they are taken to have received $4.79 per share. The date the shares were sold under the buy-back was 12 April 2005. If the capital proceeds of $4.79 was more than the cost base of the share, the difference is a capital gain to the shareholder in 2004–05. If $4.79 was less than the share's reduced cost base, the difference is a capital loss. See our fact sheet *BlueScope Steel: 2005 off-market share buy-back*.
Coles Myer Ltd	**Share sale facility** Between 15 March and 23 April 2004, Coles Myer made a share sale facility available to shareholders who had 800 shares or less. If the capital proceeds were more than the cost base of the share, the difference was a capital gain to the shareholder in 2003–04. If the capital proceeds were less than the share's reduced cost base, the difference was a capital loss. See our fact sheet *Coles Myer Limited 2004 share sale facility*. **2005 share buy-back** On 17 March 2005, Coles Myer announced a share buy-back. Shareholders who took part in the buy-back received $8.30 per share, which included a fully franked dividend of $5.30 per share. For capital gains tax purposes, they are taken to have received $3.84 per share. The date the shares were sold under the buy-back was 23 May 2005. If the capital proceeds of $3.84 were more than the cost base of the share, the difference is a capital gain to the shareholder in 2004–05. If $3.84 was less than the share's reduced cost base, the difference is a capital loss. See our fact sheet *Coles Myer 2005 off-market share buy-back*.

COMPANY	DETAILS OF TRANSACTION
Commonwealth Bank of Australia Ltd	**Public share offer** The Commonwealth Bank public shares were acquired on 13 July 1996. For shareholders who use the indexation method in calculating their capital gain, they index their first and final instalments from 13 July 1996. **2004 share buy-back** In March 2004, the Commonwealth Bank announced a general share buy-back. Shareholders who took part in the buy-back received $27.50 per share, which included a fully franked dividend of $16.50 per share. For capital gains tax purposes, they are taken to have received $13.92 per share. The date the shares were sold under the buy-back was 29 March 2004. If the capital proceeds of $13.92 were more than the cost base of the share, the difference was a capital gain to the shareholder in 2003–04. If $13.92 was less than the share's reduced cost base, the difference was a capital loss. See our fact sheet *Commonwealth Bank of Australia Ltd: 2004 off-market share buy-back*.
CSR Limited – Rinker Group Limited	**Demerger** In April 2003 CSR shareholders received one Rinker share for every CSR share they held. CSR has advised that Rinker represented 75% of the market value of the group as a whole just after the demerger. Shareholders who received Rinker shares should use this percentage to apportion the sum of the cost bases of their post-CGT CSR shares between these shares and the Rinker shares they received in relation to those post-CGT CSR shares. The demergers calculator on our website at **www.ato.gov.au/demergers** (follow the link under 'Shareholder information') will help you work out the cost bases of your Rinker and CSR shares after the demerger. Also see our fact sheet *2003 CSR demerger: impact on resident individual shareholders*.
Fosters Group Ltd	**2003 share buy-back** On 22 December 2003, Foster's announced that they had completed an off-market share buy-back. Shareholders who took part in the buy-back received $4.00 per share, which included a fully franked dividend of $2.19 per share. The date the shares were sold was 22 December 2003. If the capital proceeds of $1.81 per share was more than the cost base of the share, the difference was a capital gain in 2003–04. If $1.81 was less than the share's reduced cost base, the difference was a capital loss. See our fact sheet *Foster's Group Ltd: 2003 off-market share buy-back*.
Grainco Australia Ltd (GAL)	**Takeover** On 1 October 2003, Grainco Australia Ltd (GAL) and Graincorp entered a scheme of arrangement under which Graincorp took control of GAL. GAL shareholders had a choice of receiving either cash or Graincorp reset preference shares (RPS) in exchange for their GAL shares. In either case, the value received was $1.392 per GAL share they surrendered. Scrip-for-scrip rollover (see page 37) was available on the exchange of Graincorp RPS for GAL shares but not to the extent cash was received. **Note:** Scrip-for-scrip rollover does not apply to a capital loss. If scrip-for-scrip rollover does not apply and the cost base of the GAL share was more than $1.392, the difference was a capital gain in 2003–04. If $1.392 was less than the share's reduced cost base, the difference was a capital loss. The date the shares were disposed of under the takeover was 1 October 2003.

COMPANY	DETAILS OF TRANSACTION
Henderson Group PLC (formerly HHG PLC)	**Return of cash and reduction of investor base** In April 2005, HHG PLC undertook a capital reduction which included: ■ a return of cash to all shareholders, and ■ a reduction in investor base – which affected shareholders unless they chose not to participate. There are capital gains tax consequences for shareholders. See our fact sheet *HHG PLC capital reduction.*
Hibernian Friendly Society (NSW) Limited (now Aevum Limited)	**Demutualisation** The acquisition cost for Hibernian shares was $1.162 per share and the acquisition date was 2 September 2002. Hibernian changed its name to Aevum Ltd in May 2004. See our fact sheet *Hibernian demutualisation: impact on shareholders*.
Insurance Australia Group (IAG) Limited	**Share purchase plan** Offers opened on 4 November 2002 for shareholders to purchase shares from IAG (formerly NRMA) for $2.40 per share free of brokerage and transaction costs. There are no CGT consequences at the time of purchase. However, there are tax consequences in relation to owning and disposing of the shares you purchase. **2004 share buy-back** In May 2004, IAG announced a share buy-back. Shareholders who took part in the buy-back received $4.40 per share, which included a fully franked dividend of $2.62 per share. The date the shares were sold under the buy-back was 21 June 2004. For capital gains tax purposes, they are taken to have received $2.16 per share. If the capital proceeds of $2.16 were more than the cost base of the share, the difference was a capital gain in 2003–04. If $2.16 was less than the share's reduced cost base, the difference was a capital loss. See our fact sheet *Insurance Australia Group Limited 2004 off-market share buy-back*.
IOOF Ltd	**Demutualisation** The acquisition cost for IOOF shares was $2.53 per share and the acquisition date was 14 June 2002. See fact sheet *IOOF demutualisation: impact on individual shareholders*.
Jupiters Limited (merger with TABCorp)	**Merger** On 13 November 2003 Jupiters Limited merged with TABCorp. Jupiter's shareholders were offered a choice of cash or a combination of cash and TABCorp shares for their Jupiters shares. Partial scrip-for-scrip rollover (see page 37) was available where TABCorp shares were acquired. Rollover is not available for the cash amounts received. **Note:** Scrip-for-scrip rollover does not apply to a capital loss. If scrip-for-scrip rollover does not apply and the cost base of the Jupiter share was more than $11.28, the difference was a capital gain in 2003–04. If $11.28 was less than the share's reduced cost base, the difference was a capital loss. See our fact sheet *Jupiters Limited merger with TABCorp Holdings Limited*.
Mayne Group Ltd	**2004 share buy-back** In March 2004, Mayne conducted an off-market share buy-back. Shareholders who took part in the buy-back received $3.55 per share. The date the shares were sold was 22 March 2004. If the capital proceeds of $3.55 per share was more than the cost base of the share, the difference was a capital gain to the shareholder in 2003–04. If $3.55 was less than the share's reduced cost base, the difference was a capital loss. See our fact sheet *Mayne Group Ltd: 2004 off-market share buy-back*.

COMPANY	DETAILS OF TRANSACTION
Mincor Resources NL	**Demerger** In October 2003 Mincor shareholders received one Tethyan Copper Company Ltd (TCC) share for every 3.37 Mincor shares they held. Mincor has advised that TCC represented 9.582% of the market value of the group as a whole just after the demerger. Shareholders who received TCC shares should use this percentage to apportion the sum of the cost bases of their post-CGT Mincor shares between these shares and the TCC shares they received in relation to those post-CGT Mincor shares. The demergers calculator on our website at **www.ato.gov.au/demergers** (follow the link under 'Shareholder information') will help you work out the cost bases of your Mincor and TCC shares after the demerger. See our fact sheet *2003 Mincor Resources NL demerger*.
News Corporation Ltd	**Reincorporation** In September 2004, News Corporation Ltd reincorporated in the US. Shareholders of News Corporation Ltd can choose scrip-for-scrip rollover (see page 37) on the receipt of News Corporation shares (including those represented by Chess Depository Instruments or CDIs) for the cancellation of their News Corporation Ltd shares. **Note:** Scrip-for-scrip rollover does not apply to a capital loss. If rollover is chosen, the first element of the cost base of each News Corporation share (including those represented by CDIs) is the sum of the cost base of the two News Corporation Ltd shares they exchanged for it, and shareholders are taken to have acquired their News Corporation shares or CDIs at the time they acquired News Corporation Ltd shares they exchanged for them. See our fact sheet *Newscorp reincorporation*.
NRMA Insurance Group Ltd (NIGL)	**Demutualisation** The acquisition cost of NIGL shares allocated to shareholders was $1.78 per share. The acquisition date was 19 June 2000. For additional shares purchased through the facility, the acquisition cost was $2.75 and the acquisition date was 6 August 2000.
OPSM Group Ltd	**Takeover** Between 16 June 2003 and 2 September 2003 Luxottica South Pacific Pty Limited made a successful takeover offer for OPSM. Shareholders who accepted the offer received $3.80 cash for each OPSM share they held. The date the shares were disposed of under the takeover was: ■ 17 July 2003 if the shareholder accepted the offer on or before that date, or ■ the date the offer was accepted if the shareholder accepted the offer after 17 July 2003. If the capital proceeds of $3.80 per share were more than the cost base of the share, the difference was a capital gain in 2003–04. If $3.80 was less than the share's reduced cost base, the difference was a capital loss.
Over 50s Mutual Friendly Society Limited (OFM Ltd)	**Demutualisation** The acquisition cost of OFM Ltd shares was $1.65 per share and the acquisition date was 12 June 2001. See fact sheet *OFM Investment Group Limited (OFM) demutualisation: impact on individual shareholders*.

COMPANY	DETAILS OF TRANSACTION
Pasminco Limited	**Declaration that shares are worthless made by administrators** Following the declaration by the administrators on 31 March 2005 that they consider that Pasminco shares are worthless, shareholders of Pasminco can choose to make a capital loss in the 2004–05 year equal to the reduced cost base of their shares at the time of the declaration. See fact sheet *Capital losses on Pasminco Ltd shares*. **Creation of a trust over shares** Shareholders may make a capital loss if they create a valid trust over shares they own in a company under administration – for example, Pasminco shareholders who agree to sell their shares but hold them on trust for the buyer until the sale can be completed. See our fact sheet *Capital losses on Pasminco Ltd shares* and *Taxation Determination TD 2004/13: Capital gains: can CGT event E1 in section 104–55 of the Income Tax Assessment Act 1997 happen to a shareholder in a company in voluntary administration under Part 5.3A of the Corporations Act 2001 who declares a trust over their shares?*
Pivot Ltd	**Merger** Pivot Ltd changed its name to Incitec-Pivot Ltd in April 2003 and then merged with Incitec Fertilizers Ltd (IFL) on 1 June 2003. Shareholders of Pivot who acquired their shares before 20 September 1985 made a capital gain under CGT event K6 if their capital proceeds per share was more than $15.08 and they disposed of them after 28 July 2003. The capital gain is equal to 70% of the difference between the capital proceeds and $15.08. (No capital loss is available under CGT event K6.) See our fact sheet *Pivot merger with Incitec – CGT on sale of pre-CGT shares*.
Principal Office Fund (POF)	**Takeover** Between 20 June 2003 and 1 September 2003 Investa Property Group (IPG) made a successful takeover offer for Principal Office Fund (POF). Unit holders who accepted the offer had a choice of receiving $19.13, or $5.70 plus seven IPG stapled securities, for every 12 POF units they held. Unit holders who refused the offer had their POF units compulsorily acquired and received $5.70 plus seven IPG stapled securities for every 12 POF units they held. Partial scrip-for-scrip rollover (see page 37) was available where IPG stapled securities were received. Rollover is not available for the cash amounts received. **Note:** Scrip-for-scrip rollover does not apply to a capital loss. If scrip-for-scrip rollover does not apply, unit holders made a capital gain in 2002–03 or 2003–04 if the cost base of each of their POF units was less than the total value of IPG securities plus the cash they received. Unit holders made a capital loss if the reduced cost base of each of their POF unit was more than the value of IPG securities plus the cash they received for it. The date the POF units were disposed of under the takeover was: ■ if the offer was accepted – the date the acceptance was posted (this may have been in 2002–03 or 2003–04) or ■ if the units were acquired compulsorily – 2 October 2003.
Promina Group Ltd	**2005 return of capital** On 20 June 2005 Promina Group Ltd made a return of capital to shareholders of $0.23 per share. Shareholders needed to reduce the cost base and reduced cost base of each share by $0.23. For each share that had a cost base of less than $0.23, the difference was a capital gain in 2004–05. See our fact sheet *Promina Group Ltd 2005 return of capital*.

COMPANY	DETAILS OF TRANSACTION
Rio Tinto Ltd	**2005 share buy-back** On 3 February 2005, Rio Tinto announced a share buy-back. Shareholders who took part in the buy-back received $36.70 per share, which included a fully franked dividend of $32.70 per share. For capital gains tax purposes, they are taken to have received $6.44 per share. The date the shares were sold under the buy-back was 9 May 2005. If the capital proceeds of $6.44 was more than the cost base of the share, the difference is a capital gain to the shareholder in 2004-05. If $6.44 was less than the share's reduced cost base, the difference is a capital loss. See our fact sheet *Rio Tinto Ltd 2005 share buy-back*.
Seven Network Ltd	**2004 share buy-back** On 14 December 2003, Seven Network Ltd announced a buy-back of ordinary shares. Shareholders who took part in the buy-back received $5.80 per share, which included a fully franked dividend of $2.32 per share. The date the shares were sold was 22 December 2003. If the capital proceeds of $3.48 per share was more than the cost base of the share, the difference was a capital gain in 2003–04. If $3.48 was less than the share's reduced cost base, the difference was a capital loss. See our fact sheet *Seven Network Ltd: 2004 off-market share buy-back*.
Telstra	**Public share offer 1** The Telstra public shares were acquired on 15 November 1997. For shareholders who use the indexation method in calculating their capital gain, they index their first and final instalments from 15 November 1997. **Public share offer 2** The Telstra public shares were acquired on 22 October 1999 if the instalment receipts were purchased through the offer. Indexation does not apply as the shares were acquired after 11.45am (by legal time in the ACT) on 21 September 1999. **2003 share buy-back** In November 2003, Telstra undertook an off-market share buy-back. Shareholders who took part in the buy-back received $4.20 per share, which included a fully franked dividend of $2.70 per share. If the capital proceeds of $1.50 were more than the cost base of the share, the difference was a capital gain in 2003–04. If $1.50 was less than the share's reduced cost base, the difference was a capital loss. **2004 share buy-back** On 15 November 2004, Telstra announced the results of an off-market share buy-back. Shareholders who took part in the buy-back received $4.05 per share, which included a fully franked dividend of $2.55 per share. The shares sold under the buy-back were disposed of on 14 November 2004. For capital gains tax purposes, they are taken to have received $2.25 per share. If the capital proceeds of $2.25 were more than the cost base of the share, the difference is a capital gain to the shareholder in 2004–05. If $2.25 was less than the share's reduced cost base, the difference is a capital loss. See our fact sheet *Telstra 2004: Off-market share buy-back*.

COMPANY	DETAILS OF TRANSACTION
United Energy Ltd	**Takeover** On 23 July 2003 Alinta Ltd and United Energy Ltd entered into a scheme of arrangement under which Alinta acquired all the United Energy shares it did not already own. Shareholders received $3.15 for each United Energy share they held. The date the shares were disposed of under the takeover was 23 July 2003. If the capital proceeds of $3.15 was more than the cost base of the share, the difference was a capital gain in 2003–04. If $3.15 was less than the share's reduced cost base, the difference was a capital loss.
Wesfarmers Group Ltd	**Return of capital** On 18 December 2003, Wesfarmers Group Limited made a return of capital to shareholders of $2.50 per share. Shareholders needed to reduce the cost base and reduced cost base of each share by $2.50. For each share that had a cost base of less than $2.50, the difference was a capital gain in 2003–04. See our fact sheet *Wesfarmers Group Ltd (Wesfarmers) return of capital*.
Western Mining Corporation Limited – WMC Resources Limited	**Demerger** In December 2002 WMC shareholders received one WMCR share for every WMC share held. Also WMC Limited changed its name to Alumina Ltd. Alumina has advised that WMCR represented 46.30% of the market value of the group as a whole just after the demerger. Shareholders who received WMCR shares should use this percentage to apportion the sum of the cost bases of their post-CGT Alumina shares between these shares and the WMCR shares they received in relation to those post-CGT Alumina shares. The demergers calculator on our website at **www.ato.gov.au/demergers** (follow the link under 'Shareholder information') will help you work out the cost bases of your Alumina and WMCR shares after the demerger. **Takeover** In March 2005 BHP Billiton Ltd made a takeover offer for WMC Resources Ltd. Shareholders received $7.85 for each WMC share they held. The date the shares were disposed of under the takeover offer was: ■ 3 June 2005 – if the shareholder accepted the offer on or before that date, or ■ the date the offer was accepted – if the shareholder accepted the offer between 4 June 2005 and 17 June 2005 and the acceptance was received by BHP by 7.30pm on 17 June 2005, or ■ for other WMC shareholders – in the 2005-06 income year, when BHP Billiton completed the compulsory acquisition. If the capital proceeds of $7.85 per share was more than the cost base of the share, the difference is a capital gain in 2004–05. If $7.85 was less than the share's reduced cost base, the difference is a capital loss in 2004–05. See our fact sheet *WMC Resources Ltd takeover by BHP Billiton Ltd*. Shareholders who did not accept the offer by 17 June 2005 should also see the fact sheet.
Westfield	**Capital restructure** In July 2004, Westfield Group restructured by issuing holders of Westfield Ltd shares, Westfield Trust units, and Westfield America Trust units with stapled securities. Participants received Westfield Group stapled securities through either a stapling arrangement or a sale facility. They also had the option of receiving cash under the sale facility. The tax consequences of these transactions vary depending on whether the shareholder or unitholder chose the 'cash alternative' or 'exchange by sale alternative' or did nothing. See our fact sheets *Westfield Group restructure 2005: Tax consequences for Westfield Limited shareholders*; *Westfield Group restructure 2005: Tax consequences for Westfield Trust unitholders*; *Westfield Group restructure 2005: Tax consequences for Westfield America Trust unitholders*.

COMPANY	DETAILS OF TRANSACTION
Westpac Banking Corporation	**Share buy-back** In June 2004, Westpac conducted a share buy-back. Shareholders who took part in the buy-back received $14.50 per share, which included a fully franked dividend of $10.50 per share. For capital gains tax purposes, they are taken to have received $7.21 per share. The date the shares were sold under the buy-back was 21 June 2004. If the capital proceeds of $7.21 were more than the cost base of the share, the difference was a capital gain to the shareholder in 2003–04. If $7.21 was less than the share's reduced cost base, the difference was a capital loss. See our fact sheet *Westpac Banking Corporation Ltd 2004 off-market share buy-back*.

To get a copy of a fact sheet referred to in this appendix, visit our website or, if you do not have internet access, phone our Publications Distribution Service on **1300 720 092**.

Fact sheets may be on our website which do not appear in the table above.

For more information about share transactions in earlier years, visit our website**.**

DEFINITIONS

ASSESSABLE INCOME
Assessable income is all the income you have received that should be included on your tax return. Generally, assessable income does not include non-assessable payments from a unit trust, including a managed fund.

BONUS SHARES
Bonus shares are additional shares a shareholder receives wholly or partly as a dividend. You may also pay an amount to get them.

BONUS UNITS
Bonus units are additional units a unit holder receives from the trust. You may also be required to pay an amount to get them.

CALLS ON SHARES
A company may sometimes issue a share at less than its par or face value and then make calls to pay up part or all of the remaining outstanding balance.

CAPITAL GAIN
You may make a capital gain from a CGT event such as the sale of an asset. Generally your capital gain is the difference between your asset's cost base (what you paid for it) and your capital proceeds (what you received for it). You can also make a capital gain if a managed fund or other unit trust distributes a capital gain to you.

CAPITAL GAINS TAX
Capital gains tax (CGT) refers to the income tax you pay on any net capital gain you make and include on your annual income tax return. For example, when you sell (or otherwise dispose of) an asset as part of a CGT event, you are subject to CGT.

CAPITAL IMPROVEMENTS
A capital improvement is an improvement you make to a CGT asset that is reflected in its state or nature at the time of a later CGT event. This does not include a repair that is deductible for income tax purposes.

CAPITAL LOSS
Generally, you may make a capital loss as a result of a CGT event if you received less capital proceeds for an asset than its reduced cost base (what you paid for it).

CAPITAL PROCEEDS
Capital proceeds is the term used to describe the amount of money or the value of any property you receive or are entitled to receive as a result of a CGT event. For shares or units, capital proceeds may be:
- the amount you receive from the purchaser
- the value of shares (or units) you receive on a demerger
- the value of shares (or units) and the amount of cash you receive on a merger/takeover, or
- their market value if you give them away.

CGT ASSET
CGT assets include shares, units in a unit trust, collectables (such as jewellery), assets for personal use (such as furniture or a boat) and other assets (such as an investment property).

CGT-CONCESSION AMOUNTS
These amounts are the CGT discount component of any actual distribution from a managed fund.

CGT DISCOUNT
The CGT discount is the amount (or percentage) by which a capital gain may be reduced under the discount method (see **Discount method**).

CGT EVENT
A CGT event happens when a transaction takes place such as the sale of a CGT asset. The result is usually a capital gain or capital loss.

CONSOLIDATED INCOME TAXATION OF CORPORATE GROUPS
Taxing wholly owned groups as single entities. Subsidiary members are treated as parts of the head company. Intra-group transactions are disregarded for income tax purposes. Consolidation enables assets to be transferred between members of a group without triggering capital gains or requiring cost base adjustments for membership interests. Effective from 1 July 2002.

CONVERTIBLE NOTE
A convertible note is another type of investment you can make in a company or unit trust. A convertible note earns interest on the amount you pay to acquire the note until the note's expiry date. On expiry of the note, you can either ask for the return of the money paid or convert that amount to acquire new shares or units.

COST BASE
The cost base of an asset is generally what it costs you. It is made up of five elements:
- money you paid or property you gave for the asset
- incidental costs of acquiring or selling it (for example, brokerage and stamp duty)
- non-capital costs associated with owning it (generally this will not apply to shares or units because you will usually have claimed or be entitled to claim these costs as tax deductions)
- costs associated with increasing its value (for example, if you paid a call on shares), and
- what it has cost you to preserve or defend your title or rights to it.

You may need to reduce the cost base for a share or unit by the amount of any non-assessable payment you receive from the company or fund.

DEBT FORGIVENESS

A debt is forgiven if you are freed from the obligation to pay it. A commercial debt that is forgiven may reduce your capital loss, your cost base or your reduced cost base.

DEMERGER

A demerger involves the restructuring of a corporate or trust group by splitting its operations into two or more entities or groups. Under a demerger the owners of the head entity of the group acquire a direct interest in an entity (demerged entity) that was formerly part of the group.

DEMERGER ROLLOVER

This may apply to CGT events that happen on or after 1 July 2002 to interests that you own in the head entity of a demerger group where a company or trust is demerged from the group. Generally, the head entity undertaking the demerger will advise owners whether demerger rollover is available but you should seek our advice if you are in any doubt. The Tax Office may have provided advice in the form of a class ruling on a specific demerger, confirming that the rollover is available.

This rollover allows you to defer your CGT obligation until a later CGT event happens to your original or your new shares or units.

DEMUTUALISATION

A company demutualises when it changes its membership interests to shares. If you received shares as part of a demutualisation of an Australian insurance company (for example, AMP, IOOF or NRMA), you are not subject to capital gains tax until you sell the shares or another CGT event happens.

Usually the company will advise you of your cost base for the shares you received. The company may give you the choice of keeping the shares they have given you or of selling them and giving you the capital proceeds.

DEPRECIATING ASSETS

A depreciating asset is an asset that has a limited effective life and can reasonably be expected to decline in value over the time it is used. Depreciating assets include items such as computers, tools, furniture and motor vehicles.

Land and items of trading stock are specifically excluded from the definition of depreciating asset, as are most intangible assets such as options, rights and goodwill.

DISCOUNT METHOD

The discount method is one of the ways to calculate your capital gain if:

- the CGT event happened after 11.45am (by legal time in the ACT) on 21 September 1999
- you acquired the asset at least 12 months before the CGT event.

If you use the discount method, you do not index the cost base but you may be able to reduce your capital gain by the CGT discount. However, you must first reduce your capital gains by the amount of any capital losses made in the year and any unapplied net capital losses from earlier years. You discount any remaining capital gain.

If you acquired the asset before 11.45am (by legal time in the ACT) on 21 September 1999, you may be able to choose either the discount method or the indexation method, whichever gives you the better result.

DISCOUNTED CAPITAL GAIN

A discounted capital gain is a capital gain that has been reduced by the CGT discount. If you received the discounted capital gain from a managed fund you will need to gross up the amount before you apply any capital losses and then the CGT discount.

DIVIDEND REINVESTMENT PLANS

Under these plans, shareholders can choose to have their dividend used to acquire additional shares in the company instead of receiving a cash payment. For CGT purposes, you are treated as if you received a cash dividend and then used it to buy additional shares. Each share (or parcel of shares) received in this way is treated as a separate asset when the shares are issued to you.

DWELLING

A dwelling is anything that is used wholly or mainly for residential accommodation. Examples of a dwelling are a home, an apartment, a strata title unit or a unit in a retirement village.

EMPLOYEE SHARE SCHEMES

If you acquired shares or rights at a discount under an employee share scheme and the scheme complies with the income tax rules for employee share schemes, you can choose when to include the amount of the discount in your assessable income on your tax return. There are special CGT rules relating to the calculation of the cost base of these shares or rights and, in some circumstances, you disregard a capital gain or capital loss you make.

GROSS UP

Grossing up applies to unit holders who are entitled to a share of the fund's income that includes a capital gain reduced by the CGT discount. In this case, you 'gross up' your capital gain by multiplying by two your share of any discounted capital gain you have received from the fund. You may also have to gross up a capital gain that was reduced by the small business 50% active asset reduction.

INCOME YEAR

The income year is the financial year relating to your current income tax return.

INDEXATION FACTOR

The factor is worked out based on the consumer price index (CPI) at appendix 2.

The indexation of the cost base of an asset is frozen as at 30 September 1999. For CGT events after that time the indexation factor is the CPI for the September 1999 quarter (123.4), divided by the CPI for the quarter in which you incurred costs relating to the asset. The result is rounded to three decimal places.

INDEXATION METHOD

The indexation method is one of the ways to calculate your capital gain if you bought a CGT asset before 11.45am (by legal time in the ACT) on 21 September 1999. This method allows you to increase the cost base by applying an indexation factor (based on increases in the consumer price index up to September 1999).

You cannot use the indexation method for:

- CGT assets bought after 11.45am (by legal time in the ACT) on 21 September 1999, or
- expenditure relating to a CGT asset acquired after that date.

For CGT events after 11.45am (by legal time in the ACT) on 21 September 1999 the discount method may give you the better result.

LEGAL PERSONAL REPRESENTATIVE

A legal personal representative can be either:

- the executor of a deceased estate (that is, a person appointed to wind up the estate in accordance with the will), or
- an administrator appointed to wind up the estate if the person does not leave a will.

LIC CAPITAL GAIN AMOUNT

This is an amount notionally included in a dividend from a listed investment company (LIC) which represents a capital gain made by that company. The amount is not included as a capital gain at item **17** on the tax return (supplementary section), or item **9** if you use the tax return for retirees. (See page 54 for an example and the instructions for dividend income for question **11** in *TaxPack 2005* (or question **8** if you use *Retirees TaxPack 2005*.)

MAIN RESIDENCE

Your main residence is your home – that is, the dwelling you regard as your main place of residence and nominate as such for any CGT concessions dealing with the disposal of a main residence.

MAIN RESIDENCE EXEMPTION

Generally, you can ignore a capital gain or capital loss from a CGT event that happens to a dwelling that is your main residence (also referred to as 'your home'). You may make a capital gain or capital loss if you have used your home to produce income, if it was not your home for the full period you owned it or the land around your home is more than 2 hectares.

MANAGED FUND

A managed fund is a unit trust. The types of managed funds available include cash management trusts, fixed interest trusts, mortgage trusts, property trusts, equity trusts, international trusts and diversified trusts.

MARKET VALUE SUBSTITUTION RULE FOR CAPITAL PROCEEDS

In some cases, if you receive nothing in exchange for a CGT asset (for example, if you give it away as a gift) you are taken to have received the market value of the asset at the time of the CGT event. You may also be taken to have received the market value if your capital proceeds are more or less than the market value of the CGT asset, and you and the purchaser were not dealing with each other at arm's length in connection with the event.

You are said to be dealing at arm's length with someone if each party acts independently and neither party exercises influence or control over the other in connection with the transaction. The law looks at not only the relationship between the parties but also the quality of the bargaining between them.

MARKET VALUE SUBSTITUTION RULE FOR COST BASE AND REDUCED COST BASE

In some cases, the general rules for calculating the cost base and reduced cost base have to be modified. For example, the market value may be substituted for the first element of the cost base and reduced cost base if:

- you did not incur expenditure to acquire the asset
- some or all of the expenditure you incurred cannot be valued, or
- you did not deal at arm's length with the vendor in acquiring the asset.

NET CAPITAL GAIN

A net capital gain is the difference between your total capital gains for the year and the total of your capital losses for the year and unapplied net capital losses from earlier years, less any CGT discount and small business CGT concessions to which you are entitled.

NET CAPITAL LOSS

If your total capital losses for the year are more than your total capital gains, the difference is your net capital loss for the year. This loss can be carried forward and deducted from capital gains you make in later years. There is no time limit on how long you can carry forward a net capital loss.

Capital losses from collectables can only be used to reduce capital gains from collectables. If your total capital losses from collectables for the year are more than your total capital gains from collectables, you have a net capital loss from collectables for the year. This loss is carried forward and deducted from capital gains from collectables in later years. There is no time limit on how long you can carry forward a net capital loss from a collectable.

NON-ASSESSABLE PAYMENT

A non-assessable payment is a payment received from a company or fund that is not assessed as part of your income on your tax return.

This includes some distributions from unit trusts and managed funds and, less commonly, from companies.

'OTHER' METHOD

To calculate your capital gain using the 'other' method, you subtract your cost base from your capital proceeds. You must use this method for any shares or units you have bought and sold within 12 months (that is, when the indexation and discount methods do not apply).

OWNERSHIP INTEREST

You have an ownership interest if you own a dwelling or land and/or meet the conditions outlined in chapter 6.

PRE-CGT

Acquired before 20 September 1985. Assets acquired before this date are generally exempt from CGT. An exception is if CGT event K6 applies.

PRIOR YEAR NET CAPITAL LOSSES

See **Unapplied net capital losses from earlier years**.

POST-CGT

Acquired on or after 20 September 1985.

REDUCED COST BASE

The reduced cost base is the amount you take into account when you are working out whether you have made a capital loss when a CGT event happens.

The reduced cost base may need to have amounts deducted from it such as non-assessable payments.

The reduced cost base does not include indexation or non-capital costs of ownership such as interest on monies borrowed to buy the asset.

ROLLOVER

Rollover allows a capital gain to be deferred or disregarded until a later CGT event happens.

SCRIP-FOR-SCRIP ROLLOVER

This can apply to CGT events that happen on or after 10 December 1999 in the case of a takeover or merger of a company or fund in which you have holdings. The company or fund would usually advise you if the rollover conditions have been satisfied.

This rollover allows you to defer your CGT obligation until a later CGT event happens to your shares or units.

You may only be eligible for partial rollover if you received shares (or units) plus cash for your original shares. In that case, if the information provided by the company or fund is not sufficient for you to calculate your capital gain, you may need to seek advice from the Tax Office.

SHARE BUY-BACKS

If you disposed of shares back to a company under a buy-back arrangement, you may have made a capital gain or capital loss.

Some of the buy-back price may have been treated as a dividend for tax purposes. The time you make the capital gain or capital loss will depend on the conditions of the particular buy-back offer.

SMALL BUSINESS CGT CONCESSIONS

There are four small business CGT concessions available if certain conditions are satisfied. They are:

- the small business 15-year exemption
- the small business 50% active asset reduction
- the small business retirement exemption, and
- the small business rollover.

These concessions apply to CGT events that happen after 11.45am (by legal time in the ACT) on 21 September 1999. For information on these concessions, see the *Guide to capital gains tax concessions for small business*.

TAKEOVERS AND MERGERS

If a company in which you held shares was taken over and you received new shares in the takeover company, you may be entitled to scrip-for-scrip rollover.

If the scrip-for-scrip conditions were not satisfied, your capital proceeds for your original shares will be the total of any cash and the market value of the new shares you received.

TAX-ADVANTAGED ENTITY

A tax-advantaged entity is a tax-exempt entity, or the trustee of:

- a complying superannuation fund
- a complying approved deposit fund, or
- a pooled superannuation fund.

TAX-DEFERRED AMOUNTS

These amounts include indexation allowed to a trust on its capital gains and accounting differences in income.

TAX-EXEMPTED AMOUNTS

These amounts are generally made up of exempt income and non-assessable non-exempt income of the trust, amounts on which the trust has already paid tax or income you had to repay to the trust. Tax-exempted amounts do not affect your cost base or your reduced cost base.

TAX-FREE AMOUNTS

These amounts arise where certain tax concessions allowed to the trust enable it to pay greater distributions to its beneficiaries.

UNAPPLIED NET CAPITAL LOSSES FROM EARLIER YEARS

This is the amount of net capital losses from earlier years remaining after you have deducted any capital gains made between the year(s) when the losses were made and the current year.

You use unapplied net capital losses from earlier years to reduce capital gains in the current year (after those capital gains have been reduced by any capital losses in the current year).

You can only use unapplied net capital losses from collectables from earlier years to reduce capital gains from collectables in the current and future years.

UNIT TRUST

A unit trust is a trust or fund that is divided into units representing capital and income entitlements. Units may be traded or redeemed (including the switching and transferring of units). A managed fund is a type of unit trust.

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CGT SUMMARY WORKSHEET FOR 2004–05 TAX RETURNS

This worksheet is for the use of individuals (including individual partners in partnership), companies, trusts and funds.

Complete only the parts or steps of this worksheet indicated for the taxpayer's type. For example, if you are an individual, complete only the parts or steps indicated to be completed by individuals.

PART A TOTAL CURRENT YEAR CAPITAL GAINS

Part A1: Current year capital gains from CGT assets and CGT events or a distribution from a trust that includes a capital gain (other than capital gains from collectables)

	NON-ACTIVE ASSETS			ACTIVE ASSETS		
	Capital gains – indexation method	**Capital gains – discount method**	**Capital gains – 'other' method**	**Capital gains – indexation method**	**Capital gains – discount method**	**Capital gains – 'other' method**
Shares and units (in unit trusts)	**A**	**B**	**C**	**M**	**N**	**O**
Real estate	**D**	**E**	**F**	**P**	**Q**	**R**
Other CGT assets and any other CGT events	**G**	**H**	**I**	**S**	**T**	**U**
Subtotal current year capital gains	**A1**	**A2**	**A3**	**A4**	**A5**	**A6**

If you need to complete a *Capital gains tax (CGT) schedule 2005* (CGT schedule), transfer the amounts at **A** to **I** and **M** to **U** in the table above to the corresponding labels in **part A** of the CGT schedule.

If you made any capital gains or capital losses from collectables, complete **part A2** on the next page. Otherwise, go to **part A3**.

Part A2: Capital gains and capital losses from collectables

	Capital gains – indexation method	Capital gains – discount method	Capital gains – 'other' method	Current year capital losses
CYCG and CYCL – from collectables	**C1**	**C2**	**C3**	**C4**
Capital gains from collectables received as a distribution from a trust – grossed up at **C6** as required	**C5**	**C6**	**C7**	
Total CYCG from collectables	**C8**	**C9**	**C10**	

Step A2.1 Apply any current year capital losses from collectables

	Capital gains – indexation method	Capital gains – discount method	Capital gains – 'other' method	Total CYCL from collectables applied
CYCL from collectables applied	**1A**	**1B**	**1C**	**1D**
CYCG from collectables after applying CYCL from collectables	**1E**	**1F**	**1G**	

In each column, the amount in the rows **1A** to **1C** cannot exceed the amount in the rows **C8** to **C10** in the table above. The amount at **1D** cannot exceed the amount at **C4**.

Step A2.2 Apply any prior year net capital losses from collectables

PYNCL from collectables available	**2A**
Less any adjustment for commercial debts forgiven	**2B**
Remaining PYNCL from collectables available	**2C**

	Capital gains – indexation method	Capital gains – discount method	Capital gains – 'other' method	Total PYNCL from collectables applied
PYNCL from collectables applied	**2D**	**2E**	**2F**	**2G**
CYCG from collectables after applying CYCL and PYNCL	**J**	**K**	**L**	

In applying the PYNCL from collectables, the amount in each column of rows **2D** to **2F** cannot exceed the amount at **step A2.1** in each column at rows **1E** to **1G**. The amount at **2G** cannot exceed the amount at **2C**.

ABBREVIATIONS
CYCG current year capital gain
CYCL current year capital losses
PYNCL prior year net capital losses

Part A3: Total current year capital gains

	NON-ACTIVE ASSETS			ACTIVE ASSETS			
	Capital gains – indexation method	**Capital gains – discount method**	**Capital gains – 'other' method**	**Capital gains – indexation method**	**Capital gains – discount method**	**Capital gains – 'other' method**	**Total CYCG**
Subtotal CYCG – from **part A1**	**A1**	**A2**	**A3**	**A4**	**A5**	**A6**	
CYCG from collectables after applying CYCL and PYNCL – from **part A2**	**J**	**K**	**L**				
Total current year capital gains	**A7**	**A8**	**A9**	**A10**	**A11**	**A12**	

Individual taxpayers: transfer the amount at '**Total CYCG**' to **H Total current year capital gains** item **17 (Capital gains)** on the *2005 tax return for individuals (supplementary section)* or item **9** if you use the tax return for retirees.

If you need to complete a CGT schedule, transfer the amounts at **J**, **K** and **L** above to the corresponding labels in **part A** of the CGT schedule.

If you made current year capital losses – other than capital losses from collectables – complete **part B**. Otherwise, go to **part D**.

PART B CURRENT YEAR CAPITAL LOSSES FROM CGT ASSETS AND CGT EVENTS, OTHER THAN CAPITAL LOSSES FROM COLLECTABLES

	Current year capital losses
Shares and units (in unit trusts)	**A**
Real estate	**B**
Other CGT assets and any other CGT events	**C**
Total CYCL	**D**

ABBREVIATIONS

CYCG	current year capital gain
CYCL	current year capital losses
PYNCL	prior year net capital losses

If you need to complete a CGT schedule, transfer the amounts at **A**, **B**, **C** and **D** to the corresponding labels in **part B** of the CGT schedule.

NOTE

There is no **part C** to this worksheet.

PART D APPLYING CAPITAL LOSSES AGAINST CURRENT YEAR CAPITAL GAINS

	NON-ACTIVE ASSETS			ACTIVE ASSETS		
	Capital gains – indexation method	Capital gains – discount method	Capital gains – 'other' method	Capital gains – indexation method	Capital gains – discount method	Capital gains – 'other' method
Total CYCG from **part A3**	**A7**	**A8**	**A9**	**A10**	**A11**	**A12**

If you showed current year capital losses at **D** in **part B**, complete **step D1**. Otherwise, go to **step D2**.

Step D1 Apply current year capital losses against total current year capital gains shown at rows A7 to A12 above

	NON-ACTIVE ASSETS			ACTIVE ASSETS			
	Capital gains – indexation method	Capital gains – discount method	Capital gains – 'other' method	Capital gains – indexation method	Capital gains – discount method	Capital gains – 'other' method	Total CYCG applied
Current year capital losses applied	**3A**	**3B**	**3C**	**3D**	**3E**	**3F**	**H**
CYCG after applying CYCL	**3G**	**3H**	**3I**	**3J**	**3K**	**3L**	

In applying the current year capital losses, the amount in each column in rows **3A** to **3F** cannot exceed the amount in rows **A7** to **A12**.

The amount at **H** cannot exceed the amount at **D** in **part B**.

If you need to complete a CGT schedule:

Add the amounts at columns **3A** and **3D** above and transfer the total to **E** in **part D** of the CGT schedule.

Add the amounts at columns **3B** and **3E** above and transfer the total to **F** in **part D** of the CGT schedule.

Add the amounts at columns **3C** and **3F** above and transfer the total to **G** in **part D** of the CGT schedule.

Transfer the **Total CYCL applied** amount at **H** to **H** in **part D** of the CGT schedule.

If you have prior year net capital losses go to **step D2**. Otherwise, for individuals, trusts and funds go to **part E**. For companies, go to **step D3**.

ABBREVIATIONS

CYCG current year capital gain
CYCL current year capital losses
PYNCL prior year net capital losses

Step D2 Apply any prior year net capital losses, other than those from collectables, against current year capital gains remaining after step D1

PYNCL available	4A
Less any adjustment for commercial debts forgiven	4B
Remaining PYNCL available	4C

	NON-ACTIVE ASSETS			ACTIVE ASSETS			
	Capital gains – indexation method	Capital gains – discount method	Capital gains – 'other' method	Capital gains – indexation method	Capital gains – discount method	Capital gains – 'other' method	Total PYNCL applied
PYNCL applied	4D	4E	4F	4G	4H	4I	L
CYCG after applying CYCL and PYNCL	4J	4K	4L	4M	4N	4O	

In applying the PYNCL, the amount in each column of rows **4D** to **4I** cannot exceed the amount at **step D1** in each column in rows **3G** to **3L**.

The amount at **L** cannot exceed the amount at **4C**.

If you need to complete a CGT schedule:

Add the amounts at columns **4D** and **4G** above and transfer the total to **I** in **part D** of the CGT schedule.

Add the amounts at columns **4E** and **4H** above and transfer the total to **J** in **part D** of the CGT schedule.

Add the amounts at columns **4F** and **4I** above and transfer the total to **K** in **part D** of the CGT schedule.

Transfer the **Total PYNCL applied** amount at **L** to **L** in **part D** of the CGT schedule.

Companies go to **step D3**. Individuals, trusts and funds go to **part E**.

ABBREVIATIONS

CYCG current year capital gain
CYCL current year capital losses
PYNCL prior year net capital losses

Step D3 Companies only – Apply any capital losses transferred in

If the company had any capital losses transferred in from other group companies, complete **step D3**. Otherwise, go to **part E**.

	NON-ACTIVE ASSETS			ACTIVE ASSETS			
	Capital gains – indexation method	Capital gains – discount method	Capital gains – 'other' method	Capital gains – indexation method	Capital gains – discount method	Capital gains – 'other' method	Total capital losses transferred in
PYNCL applied	5A	5B	5C	5D	5E	5F	P

In applying capital losses transferred in, the amounts at labels in each column of rows **5A** to **5F** cannot exceed the amounts in each column at **step D2**, rows **4J** to **4O**.

The amount at **P** cannot exceed remaining CYCG (after deducting CYCL and PYNCL).

If the company needs to complete a CGT schedule:

Add the amounts at columns **5A** and **5D** at **step D3** above and transfer the total to **M** in **part D** of the CGT schedule.

Add the amounts at columns **5B** and **5E** at **step D3** above and transfer the total to **N** in **part D** of the CGT schedule.

Add the amounts at columns **5C** and **5F** at **step D3** above and transfer the total to **O** in **part D** of the CGT schedule.

Transfer the **Total capital losses transferred in** amount at **P** in **step D3** to **P** in **part D** of the CGT schedule.

PART E CURRENT YEAR CAPITAL GAINS (CYCG) AFTER APPLYING CAPITAL LOSSES

	NON-ACTIVE ASSETS			ACTIVE ASSETS		
	Capital gains – indexation method	**Capital gains – discount method**	**Capital gains – 'other' method**	**Capital gains – indexation method**	**Capital gains – discount method**	**Capital gains – 'other' method**
CYCG after applying CYCL, PYNCL and capital losses transferred in	**A**	**B**	**C**	**D**	**E**	**F**

If you need to complete a CGT schedule, transfer the amounts at **A**, **B**, **C**, **D**, **E** and **F** to the corresponding labels in **part E** of the CGT schedule.

PART F CGT DISCOUNT ON CAPITAL GAINS

To be completed by individuals, trusts and funds only. Companies go to part G.

Calculate the CGT discount applicable to the capital gains at **B** and **E** in **part E** by applying the discount percentage – 50% for individuals and trusts and 33⅓% for complying superannuation entities (fund tax return). Show the amount of the discount at **J** and **K** respectively, then deduct the discount amounts at **J** and **K** from the amounts at **B** and **E** respectively in **part E**. Transfer the amounts at **A**, **C**, **D** and **F** in **part E** to **6A**, **6C**, **6D** and **6F** respectively.

ABBREVIATIONS

CYCG current year capital gain
CYCL current year capital losses
PYNCL prior year net capital losses

	NON-ACTIVE ASSETS			ACTIVE ASSETS		
	Capital gains – indexation method	**Capital gains – discount method**	**Capital gains – 'other' method**	**Capital gains – indexation method**	**Capital gains – discount method**	**Capital gains – 'other' method**
Discount amount		**J**			**K**	
CYCG after capital losses and discount	(A above) **6A**	(B above – J) **6B**	(C above) **6C**	(D above) **6D**	(E above – K) **6E**	(F above) **6F**

If you need to complete a CGT schedule, transfer the amounts at **J** and **K** to the corresponding labels in **part F** of the CGT schedule.

PART G CGT SMALL BUSINESS CONCESSIONS

This part does not include the small business 15-year exemption—this is shown separately at **part K** of the CGT schedule (if a schedule is required). **Part G** to be completed by individuals, companies, trusts and funds (where appropriate)

Apply one or more of the concessions to which you are entitled—small business 50% active asset reduction, small business retirement exemption, small business active asset rollover or any combination of these concessions to which you are entitled.

	ACTIVE ASSETS			
	Capital gains – indexation method	**Capital gains – discount method**	**Capital gains – 'other' method**	**Total CGT small business concessions**
SBAAR	**L**	**M**	**N**	
SBRE	**O**	**P**	**Q**	
SBRO	**R**	**S**	**T**	
Totals CGT small business concessions	**7A**	**7B**	**7C**	**7D**

ABBREVIATIONS

CYCG current year capital gain
CYCL current year capital losses
PYNCL prior year net capital losse
SBAAR small business 50% active asset reduction
SBRE small business retirement exemption
SBRO small business active asset rollover
UNCL unapplied net capital losses

If you need to complete a CGT schedule, transfer the amounts at rows **L** to **N**, **O** to **Q** and **R** to **T** to the corresponding labels in **part G** of the CGT schedule.

PART H NET CAPITAL GAIN CALCULATION

For individuals, trusts and funds, add up the current year capital gains at **6A**, **6B**, **6C**, **6D**, **6E** and **6F** in **part F** and deduct the total CGT small business concessions at **7D** (where appropriate) in **part G**.

For companies, add up the current year capital gains at **A**, **B**, **C**, **D**, **E** and **F** in **part E** and deduct the total CGT small business concessions at **7D** in **part G**. Show the result at **G**.

Net capital gain	**G**

If you do not need to complete a CGT schedule, transfer the amount at **G** to **A** **Net capital gain** on your tax return (supplementary section).

If you need to complete a CGT schedule, transfer the amount at **G** to **G** in **part H** of the CGT schedule.

PART I UNAPPLIED NET CAPITAL LOSSES CARRIED FORWARD TO LATER INCOME YEARS

UNCL from collectables	**H**
UNCL from other CGT assets	**I**
UNCL carried forward to later income years	**V** (H + I)

Transfer the amount at **V** to **V** **Net capital losses carried forward to later income years** on your tax return (supplementary section).

If you need to complete a CGT schedule, transfer the amounts at **H** and **I** to the corresponding labels in **part I** of the CGT schedule.

ABBREVIATIONS

CYCG	current year capital gain
CYCL	current year capital losses
PYNCL	prior year net capital losse
SBAAR	small business 50% active asset reduction
SBRE	small business retirement exemption
SBRO	small business active asset rollover
UNCL	unapplied net capital losses

TEAR ALONG DOTTED LINE

CAPITAL GAIN OR CAPITAL LOSS WORKSHEET

This worksheet helps you calculate a capital gain for each CGT asset or any other CGT event[1] using the indexation method[2], the discount method[3] and/or the 'other' method. It also helps you calculate a capital loss.

CGT asset type or CGT event

- Shares and units (in unit trusts) ☐
- Real estate ☐
- Other CGT assets and any other CGT events[4] ☐
- Collectables[5] ☐

Description of CGT asset or CGT event ________

Date of acquisition ________ **Date of CGT event** ________

ELEMENTS OF THE COST BASE OR REDUCED COST BASE	**1** Amount	**2** Amounts to be deducted for cost base[9]	**3** Cost base (1 – 2)	**4** Amounts to be deducted for reduced cost base[9]	**5** Reduced cost base (1 – 4)	**6** Indexation factor[10]	**7** Cost base indexed (3 × 6)
Acquisition or purchase cost of the CGT asset[6]							
Incidental costs to acquire the CGT asset							
Incidental costs that relate to the CGT event[7]							
Non-capital costs of ownership of the CGT asset[8]							
Capital expenditure to increase the asset's value that is reflected in the state or nature of the CGT asset at the time of the CGT event							
Capital costs to establish, preserve or defend title to, or a right over, the CGT asset							
	Cost base unindexed		**$**				
			Reduced cost base		**$**		
					Cost base indexed		**$**

CAPITAL GAIN CALCULATION

Indexation method		**Discount method**		**'Other' method (CGT asset held less than 12 months)**	
Capital proceeds[11]	$	Capital proceeds[11]	$	Capital proceeds[11]	$
less: cost base indexed	$	*less:* cost base unindexed	$	*less:* cost base unindexed	$
Capital gain (a)	**$**	**Capital gain (b)***	**$**	**Capital gain**	**$**

* In choosing between capital gain **(a)** or **(b)**, remember that the CGT discount will not apply to **(a)** but it will reduce the amount of capital gain remaining after capital losses are deducted from **(b)**.

Transfer the capital gain to **part A1** of the *CGT summary worksheet*, except for a capital gain from collectables which is transferred to **part A2** of that worksheet.

CAPITAL LOSS CALCULATION

Capital loss	
Reduced cost base	$
less: capital proceeds[11]	$
Capital loss[12]	**$**

Transfer the capital loss to **part B** of the *CGT summary worksheet*, except for a capital loss from collectables which is transferred to **part A2** of that worksheet.

FOOTNOTES
See the back of this worksheet.

1 CGT event

You make a capital gain or capital loss if certain events or transactions (called CGT events) happen. Most commonly, CGT events happen to a CGT asset (for example, the disposal of a CGT asset) but some CGT events can happen without involving a CGT asset. For more information about CGT events, see the *Guide to capital gains tax 2005*.

2 Indexation method*

For CGT assets acquired before 11.45am (by legal time in the ACT) on 21 September 1999, the indexation of the cost base of an asset is frozen as at 30 September 1999. Individuals, trusts and superannuation entities can choose to use either the cost base indexed, frozen as at 30 September 1999, or the CGT discount.

3 Discount method*

If a CGT event happens to a CGT asset after 11.45am (by legal time in the ACT) on 21 September 1999 you acquired the asset at least 12 months before the CGT event, you may be entitled to discount the capital gain after applying capital losses. The discount percentage for an individual or trust is 50% and for a complying superannuation entity it is 33⅓%. Companies (other than those life insurance companies and friendly societies which carry on life insurance business that are entitled to the CGT discount in respect of their complying superannuation business) are not eligible for the CGT discount. You apply current year capital losses and then unapplied net capital losses from earlier years against current year capital gains before applying the CGT discount. If any capital gains qualify for the CGT small business concessions, you then apply those concessions to each capital gain.

4 Other CGT assets and any other CGT events

This category is for a capital gain or capital loss made from a CGT asset or any other CGT event that is not from shares and units (in unit trusts), real estate or a collectable. You include capital gains from personal use assets here. If you acquired a personal use asset for $10,000 or less, you disregard any capital gain. You disregard capital losses from personal use assets.

Note: 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 you use a depreciating asset for a non-taxable purpose (for example, used privately). You calculate the gain or loss 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 you use it for a taxable purpose.

5 Collectables

If you acquired a collectable – for example, jewellery or an antique – for $500 or less, you disregard any capital gain or capital loss. You can only use capital losses from collectables to offset capital gains from collectables.

6 Acquisition or purchase cost

This is money you paid, property you gave or you are required to pay or give to acquire a CGT asset. The market value of any property you gave, or are required to give, is worked out at the time of acquisition. Modifications and special rules may apply to this element of the cost base – for example, the market value substitution rule.

*__Note:__ For CGT assets acquired before 11.45am (by legal time in the ACT) on 21 September 1999, you have the option of choosing the CGT discount or calculating the capital gain using indexation frozen as at 30 September 1999. Calculate your capital gain under each option to determine the best result in your particular circumstances.

7 Incidental costs that relate to a CGT event

This includes the incidental costs of disposal of a CGT asset or, if there is no disposal of a CGT asset, those incidental costs that relate to the CGT event.

8 Non-capital costs of ownership

Non-capital costs of ownership include interest on borrowed money, rates and land tax, and the costs of repairing or maintaining the CGT asset. You include them in the cost base provided you acquired the CGT asset after 20 August 1991. These costs cannot be indexed or used to work out a capital loss. You do not include non-capital costs of ownership in the cost base of collectables or personal use assets.

9 Cost base and reduced cost base

For the cost base, exclude all expenditure recouped or that has been deducted or can be deducted on assets acquired after 7.30pm (by legal time in the ACT) on 13 May 1997. For assets acquired before this time, exclude all expenditure recouped, or in respect of incidental costs and non-capital costs, that have been deducted or can be deducted. In some cases, cost base reductions are made before indexing (for example, recouped expenditure) and in others, after indexing (for example, capital works deductions). For the reduced cost base, exclude any expenditure recouped, that has been deducted, can be deducted or is a non-capital cost of ownership. Indexation does not apply to the reduced cost base.

10 Indexation factor

Indexation is not relevant to:

- expenditure incurred after 11.45am (by legal time in the ACT) on 21 September 1999 relating to a CGT asset acquired before that time, or
- expenditure relating to a CGT asset acquired after that time.

The cost base includes indexation, frozen as at 30 September 1999, only if you acquired the CGT asset at or before 11.45am (by legal time in the ACT) on 21 September 1999 and have owned it for at least 12 months. There are some exceptions – for example, rollovers and assets inherited from a deceased estate. Indexation is not available for non-capital costs of ownership and it is not relevant to the reduced cost base. The indexation factor is an amount equal to the consumer price index (CPI) for the quarter of the year in which the CGT event happened to the asset, divided by the CPI for the quarter of the year in which you incurred the expenditure included in any of the cost base elements (except the third element – non-capital costs of ownership). A list of CPI is at appendix 2.

11 Capital proceeds

This is money and the market value of any property that you have received or are entitled to receive, in respect of the CGT event happening. Modifications and special rules may apply to change the capital proceeds for certain CGT events. If the capital proceeds are greater than the cost base, you make a capital gain. If the capital proceeds are less than the reduced cost base, you make a capital loss. If the capital proceeds are between the cost base, or if applicable the indexed cost base, and the reduced cost base, you make neither a capital gain nor a capital loss.

12 Capital losses

You can only use capital losses from collectables to offset capital gains from collectables. You disregard capital losses from personal use assets. You cannot deduct net capital losses from your assessable income. If you became a bankrupt during the year, you disregard unapplied net capital losses from earlier years.

Capital gains tax (CGT) schedule

2005

Australian Government
Australian Taxation Office

Use in conjunction with company, trust or fund income tax return. For instructions on how to complete this schedule refer to the publication *Guide to capital gains tax*.

Print neatly in BLOCK LETTERS with a black or blue ballpoint pen only. Do not use correction fluid or tape. Print one letter or number in each box.

Tax file number (TFN)

Taxpayer's name

Australian business number (ABN)

Signature as prescribed in tax return

Part A Capital gains from CGT assets and CGT events

Non-active assets

	Capital gains – indexation method	Capital gains – discount method	Other capital gains
Shares and units (in unit trusts)	A .00	B .00	C .00
Real estate	D .00	E .00	F .00
Other CGT assets and any other CGT events	G .00	H .00	I .00
Collectables	J .00	K .00	L .00

Active assets

	Capital gains – indexation method	Capital gains – discount method	Other capital gains
Shares and units (in unit trusts)	M .00	N .00	O .00
Real estate	P .00	Q .00	R .00
Other CGT assets and any other CGT events	S .00	T .00	U .00
	Add amounts at A to S above and write the total at V below.	Add amounts at B to T above and write the total at W below.	Add amounts at C to U above and write the total at X below.
Total current year capital gains (CYCG)	V .00	W .00	X .00 F

Part B Current year capital losses (CYCL) from CGT assets and CGT events – other than capital losses from collectables

Shares and units (in unit trusts) **A** , , , .00

Real estate **B** , , , .00

Other CGT assets and any other CGT events **C** , , , .00

Add amounts at **A** to **C** above and write the total at **D** below.

Total current year capital losses (CYCL) **D** , , , .00

Part D Applying capital losses against current year capital gains

	Capital gains – indexation method	Capital gains – discount method	Other capital gains
Current year capital losses applied	**E** .00	**F** .00	**G** .00
Prior year net capital losses applied	**I** .00	**J** .00	**K** .00
Capital losses transferred in applied	**M** .00	**N** .00	**O** .00
	Add amounts at **E** to **M** above and write the total at **Q** below.	Add amounts at **F** to **N** above and write the total at **R** below.	Add amounts at **G** to **O** above and write the total at **S** below.
Total capital losses applied	**Q** .00	**R** .00	**S** .00

	Current year capital losses applied	Prior year net capital losses applied	Capital losses transferred in applied
	Add amounts at **E**, **F** and **G** above and write the total at **H** below.	Add amounts at **I**, **J** and **K** above and write the total at **L** below.	Add amounts at **M**, **N** and **O** above and write the total at **P** below.
Total capital losses applied	**H** .00	**L** .00	**P** .00 F

For companies required to lodge a *Losses schedule 2005*, the amount at **P** must equal the corresponding amount on their losses schedule.

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

	Capital gains – indexation method	Capital gains – discount method	Other capital gains
Non-active assets	**A** .00	**B** .00	**C** .00
Active assets	**D** .00	**E** .00	**F** .00
	Add amounts at **A** and **D** above and write the total at **G** below.	Add amounts at **B** and **E** above and write the total at **H** below.	Add amounts at **C** and **F** above and write the total at **I** below.
Totals – CYCG after applying capital losses	**G** .00	**H** .00	**I** .00

Part F Applying the CGT discount on capital gains

Capital gains – discount method

From non-active assets **J** .00

From active assets **K** .00

Part G Applying the CGT concessions for small business

	Capital gains – indexation method	Capital gains – discount method	Other capital gains
Small business active asset reduction	**L** .00	**M** .00	**N** .00
Small business retirement exemption	**O** .00	**P** .00	**Q** .00
Small business rollover	**R** .00	**S** .00	**T** .00

F

Part H Calculating net capital gain

Totals – CGT discount and small business concessions

Add amounts at **L** to **R** above and write the total at **A** below.

A .00

Deduct the amount at **A** above from the amount at **G** in part E on page 2 and write the result at **D** below.

D .00

Add amounts at **J** to **S** above and write the total at **B** below.

B .00

Deduct the amount at **B** above from the amount at **H** in part E on page 2 and write the result at **E** below.

E .00

Add amounts at **N** to **T** above and write the total at **C** below.

C .00

Deduct the amount at **C** above from the amount at **I** in part E on page 2 and write the result at **F** below.

F .00

Net capital gain (D + E + F) **G** .00 Transfer the amount at **G** to **A** on your tax return.

Part I Unapplied net capital losses (UNCL) carried forward to later income years

UNCL from collectables **H** .00

UNCL from all other CGT assets and CGT events **I** .00

Add amounts at **H** and **I** and write the total at **V** on your tax return.

Part J Small business 15-year exemption

Exempt capital gains **J** .00

CGT asset or CGT event code **K**

F

Part K Scrip-for-scrip rollover for exchanging taxpayer

Rollover chosen? **A** **Yes** **No**

Print **X** in the appropriate box.

Original interests cost base **B** .00

Replacement interests market value **C** .00

Cash and other considerations **D** .00

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Part L Scrip-for-scrip rollover for acquiring entity – *to be completed by companies and trusts only*

Acquiring entity **E** **Yes** ☐ **No** ☐ Print **X** in the appropriate box.

Number of original entities **F** ☐☐☐

Taxpayer TFN of original entity **G** ☐☐☐☐☐☐☐☐☐

Number of shares/ units etc issued **H** ☐☐☐☐☐☐☐☐☐☐☐

Number of options/rights etc issued **I** ☐☐☐☐☐☐☐☐☐☐☐

Amount of other considerations **J** ☐☐,☐☐☐,☐☐☐,☐☐☐ .00

First element of cost base of interests acquired **K** ☐☐,☐☐☐,☐☐☐,☐☐☐ .00

Joint choice for rollover **L** **Yes** ☐ **No** ☐ Print **X** in the appropriate box

Cost base – significant common stakeholder interests acquired **M** ☐☐,☐☐☐,☐☐☐,☐☐☐ .00

Part M Did you have an employee share scheme in place at any time during the year? – *to be completed by companies only*

N **Yes** ☐ **No** ☐ Print **X** in the appropriate box.

Part N Same majority underlying ownership and pre-CGT assets – Division 149 – *to be completed by companies only*

O **Yes** ☐ **No** ☐ Print **X** in the appropriate box.

F

MORE INFORMATION

INTERNET

- For up-to-date and comprehensive information about deductions and to download publications, rulings and general tax information, visit **www.ato.gov.au**

INFOLINES

We can offer a more personalised service if you provide a tax file number

- **Personal tax** **13 28 61**
  Individual income tax and general personal tax enquiries, including capital gains tax
- **Business tax** **13 28 66**
  General business tax enquiries including capital gains tax
- **Superannuation** **13 10 20**
- **Fax** **13 28 60**
  Get information faxed to you about individual taxes—phone **13 28 60** and follow the instructions.

OTHER SERVICES

- **Translating and Interpreting Service** **13 14 50**
  If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service for help with your call.
- If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**
  If you do not have access to TTY or modem equipment, phone the **Speech to Speech Relay Service 1300 555 727**

PUBLICATIONS

Publications referred to in this guide are:

- *AMP Group demerger: How it affects Australian resident shareholders* (NAT 11101)
- *Capital allowances schedule instructions 2005* (NAT 4089–6.2005)
- *Capital gains tax (CGT) schedule 2005* (NAT 3423–6.2005)
- *Company tax return 2005* (NAT 0656–6.2005)
- *Consolidation reference manual* (available at **www.ato.gov.au**)
- *Employee share schemes – answers to frequently asked questions by employees* (available at **www.ato.gov.au**)
- *Fund income tax and regulatory return 2005* (NAT 0658–6.2005)
- *General value shifting regime in brief* (NAT 8933)
- *Guide to capital gains tax concessions for small business* (NAT 8384)
- *Guide to depreciating assets 2005* (NAT 1996–6.2005)
- *Guide to the general value shifting regime* (available at **www.ato.gov.au**)
- *Personal investors guide to capital gains tax 2005* (NAT 4152–6.2005)
- *Rental properties 2005* (NAT 1729–6.2005)
- *Tax return for individuals (supplementary section) 2005* (NAT 2679–6.2005)
- *Tax return for retirees 2005* (NAT 2597–6.2005)
- *Trust tax return 2005* (NAT 0660–6.2005)
- *Venture capital concessions (capital gains tax) – overview* (available at **www.ato.gov.au**)
- *You and your shares 2005* (NAT 2632–6.2005)
- *Class Ruling CR 2002/59 – Income tax: Compensation payments for Holocaust survivors and their relatives – remembrance, responsibility and future foundation*
- *Taxation Ruling TR 92/3 – Whether profits on isolated transactions are income*
- *Taxation Ruling TR 2002/10 – Capital gains tax: assets register.*
- *Taxation Ruling TR 2004/18:– Income tax: capital gains: application of CGT event K6 (about pre-CGT shares and pre-CGT trust interests) in section 104-230 of the Income Tax Assessment Act 1997*
- *Taxation Determination TD 2004/30 – Capital gains: do input tax credits reduce a CGT asset's cost base and reduced cost base, worked out under sections 110–25 and 110–55 of the Income Tax Assessment Act, and other equivalent amounts used in working out a capital gain or loss from a CGT event that happens in respect of the asset on or before 19 February 2004?*
- *Taxation Determination TD 2005/13 – Income tax: capital gains: if there is a change in the majority underlying interests in an asset owned by an entity, does the entity's ownership of the asset start from the change in majority underlying interests for the purpose of applying the tests in paragraphs 152-110(1)(b) and (c) of the Income Tax Assessment Act 1997?*
- *Taxation Ruling TR 2005/6: Income tax: lease surrender receipts and payments*
- *Draft Taxation Ruling TR 2004/D25 – Income tax: capital gains: meaning of the words 'absolutely entitled to a CGT asset as against the trustee of a trust' as used in Parts 3-1 and 3-3 of the Income Tax Assessment Act 1997*
- *Taxation Ruling TR 2005/9: Income tax: record keeping – electronic records*
- *Draft Taxation Ruling TR 2004/D17: Income tax and capital gains tax: tax consequences of financial contracts for differences*
- *Draft Taxation Ruling TR 2005/D2: Income tax: Listed investment companies*
- *Draft Taxation Determination TD 2005/D4 – Does expenditure – which is a non-capital cost of ownership of a CGT asset – form part of the cost base of the asset, if it is a tax benefit in connection with a scheme to which the general anti-avoidance rules in Part IVA of the Income Tax Assessment Act 1936 apply?*
- fact sheets for shareholders listed in appendix 4.