

EXAMPLE 52 (cont.): Sale of a rental property

CAPITAL GAIN OR CAPITAL LOSS WORKSHEET

CGT asset type or CGT event

Shares and units (in unit trusts)
 Real estate
 Collectables⁵

Forestry managed investment scheme interest
 Other CGT assets and any other CGT events⁴

Description of CGT asset or CGT event Brett's property at 30 Jones St. Oldtown

Date of acquisition 01/07/1997

Date of CGT event 01/02/2010

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|----------------------------|---|-------------------|---|---------------------------|---------------------------------|---------------------------|
| ELEMENTS OF THE COST BASE OR REDUCED COST BASE | Amount | Amounts to be deducted for cost base ⁹ | Cost base (1 – 2) | Amounts to be deducted for reduced cost base ⁹ | Reduced cost base (1 – 4) | Indexation factor ¹⁰ | Cost base indexed (3 x 6) |
| Acquisition or purchase cost of the CGT asset ⁶ | 144,000 | 0 | 144,000 | | | 123.4 ÷ 119.7 = 1.031 | 148,464 |
| Incidental costs to acquire the CGT asset | 20,000 | 0 | 20,000 | | | 1.031 | 20,620 |
| Incidental costs that relate to the CGT event ⁷ | 12,500 | 0 | 12,500 | | | 1 | 12,500 |
| Costs of owning the CGT asset ⁸ | 33,000 | 33,000 | 0 | | | | 0 |
| Capital expenditure to increase or preserve the asset's value or to install or move it | 30,000 | 255 | 29,745 | | | 1 | 29,745 |
| Capital costs to establish, preserve or defend title to, or a right over, the CGT asset | | | | | | | |
| | Cost base unindexed | | \$ 206,245 | | | | |
| | | | | | Reduced cost base | \$ | |
| | | | | | | Cost base indexed | \$ 211,329 |

| CAPITAL GAIN CALCULATION | | | | | |
|---|-------------------|--------------------------------|-------------------|--|-----------|
| Indexation method | | Discount method | | 'Other' method (CGT asset held less than 12 months) | |
| Capital proceeds ¹¹ | \$ 496,000 | Capital proceeds ¹¹ | \$ 496,000 | Capital proceeds ¹¹ | \$ |
| less: cost base indexed | \$ 211,329 | less: cost base unindexed | \$ 206,245 | less: cost base unindexed | \$ |
| Capital gain (a) | \$ 284,671 | Capital gain (b)* | \$ 289,755 | 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.