

EXAMPLE 45 (cont.): Using all three methods to calculate a capital gain**CAPITAL GAIN OR CAPITAL LOSS WORKSHEET****CGT asset type or CGT event**Shares and units (in unit trusts) ☒Forestry managed investment scheme interest ☐Collectables⁵ ☐Real estate ☐Other CGT assets and any other CGT events⁴ ☐**Description of CGT asset or CGT event***Tony's 2,500 shares in Kimbin Ltd - Exercise of rights, given 1/7/2005, exercised 1/8/2005***Date of acquisition**

01/08/2005

Date of CGT event

01/12/2007

ELEMENTS OF THE COST BASE OR REDUCED COST BASE

	1	2	3	4	5	6	7
	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 × 6)
Acquisition or purchase cost of the CGT asset ⁶	4,500	0	4,500				
Incidental costs to acquire the CGT asset							
Incidental costs that relate to the CGT event ⁷	110	0	110				
Costs of owning the CGT asset ⁸							
Capital expenditure to increase or preserve the asset's value or to install or move it							
Capital costs to establish, preserve or defend title to, or a right over, the CGT asset							
	Cost base unindexed		\$ 4,610				
				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	\$ 7,500
less: cost base indexed	\$	less: cost base unindexed	\$	less: cost base unindexed	\$ 4,610
Capital gain (a)	\$	Capital gain (b)*	\$	Capital gain	\$ 2,890

* 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 loss¹²	\$

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.

EXAMPLE 45 (cont.): Using all three methods to calculate a capital gain**CAPITAL GAIN OR CAPITAL LOSS WORKSHEET****CGT asset type or CGT event**Shares and units (in unit trusts) ☒Real estate ☐Forestry managed investment scheme interest ☐Other CGT assets and any other CGT events⁴ ☐Collectables⁵ ☐**Description of CGT asset or CGT event**

Tony's 10,000 shares in Kimbin Ltd

Date of acquisition

01/07/1993

Date of CGT event

01/12/2007

ELEMENTS OF THE COST BASE OR REDUCED COST BASE

	1	2	3	4	5	6	7
	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 × 6)
Acquisition or purchase cost of the CGT asset ⁶	20,000	0	20,000			1.124	22,480
Incidental costs to acquire the CGT asset	300	0	300			1.124	337
Incidental costs that relate to the CGT event ⁷	440	0	440			1	440
Costs of owning the CGT asset ⁸							
Capital expenditure to increase or preserve the asset's value or to install or move it							
Capital costs to establish, preserve or defend title to, or a right over, the CGT asset							
	Cost base unindexed		\$ 20,740				
			Reduced cost base		\$		
					Cost base indexed		\$ 23,257

CAPITAL GAIN CALCULATION

Indexation method		Discount method		'Other' method (CGT asset held less than 12 months)	
Capital proceeds ¹¹	\$ 30,000	Capital proceeds ¹¹	\$ 30,000	Capital proceeds ¹¹	\$
less: cost base indexed	\$ 23,257	less: cost base unindexed	\$ 20,740	less: cost base unindexed	\$
Capital gain (a)	\$ 6,743	Capital gain (b)*	\$ 9,260	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).

CAPITAL LOSS CALCULATION

Capital loss	
Reduced cost base	\$
less: capital proceeds ¹¹	\$
Capital loss¹²	\$

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.

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.