**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) [X]    Forestry managed investment scheme interest [ ]    Collectables[5] [ ]

Real estate [ ]    Other CGT assets and any other CGT events[4] [ ]

**Description of CGT asset or CGT event**  Tony's 2,500 shares in Kimbin Ltd – Exercise of rights, given 1/7/2008, exercised 1/8/2008

**Date of acquisition**  01/08/2005    **Date of CGT event**  01/12/2008

| 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] | 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)**.

## CAPITAL LOSS CALCULATION

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

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.

**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) [X]     Forestry managed investment scheme interest [ ]     Collectables[5] [ ]

Real estate [ ]     Other CGT assets and any other CGT events[4] [ ]

**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** 01/12/2008

| 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] | 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 loss[12] | $ |

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.