myTax 2018 Capital gains or losses

How to report your capital gains or losses when you lodge your return using myTax.

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You may have made a capital gain or capital loss, if a capital gains tax (CGT) event happened in 2017–18. For most CGT events, you make:

- a **capital gain** if the amount of money and property you received, or were entitled to receive, from the CGT event was more than the cost base of your asset; you may then have to pay tax on your capital gain
- a **capital loss** if the amount of money and property you received, or were entitled to receive, from the CGT event was less than the reduced cost base of your asset.

If you are a Norfolk Island resident, CGT may now apply to assets acquired after 23 October 2015. CGT remains payable on Australian mainland assets. For more information see Special capital gains tax rules for Norfolk Island residents.

Do not show at this section a 'listed investment company capital gain amount' included in a dividend paid by a listed investment company. See Dividend deductions.

Did you have a capital gains tax event in 2017–18?

There is a wide range of CGT events. The most common CGT event happens when you sell or give away a CGT asset, such as:

- real estate, including your family home, a holiday home, investment property, hobby farm or vacant block of land
- shares
- units in a unit trust or managed investment fund

- forestry managed investment scheme interests (as a subsequent participant)
- cryptocurrency
- collectables, for example, jewellery
- personal use assets.

For more information and examples of other CGT events, see You need to know.

Completing this section

Before completing this section, you may wish to read What you may need.

We have shown any:

- capital gains you have at the **Managed funds** section
- shares or real estate disposal information provided to us, and
- capital loss carried forward from your 2016–17 tax return.

Check for any other CGT event information not pre-filled, and include it all when calculating your capital gain or loss.

1. If you have a capital gain in the **Managed funds** section, see Capital gains and managed funds.
   Otherwise, read on.
2. Work out the capital gains or loss amounts to show at this section using the CGT record keeping tool, or manually calculate your capital gains or loss.
   The CGT record keeping tool can help work out basic gain or loss events. CGT pre-fill data shown in myTax will be transferred to the tool.
   If you do use the CGT record keeping tool, go to step 6.
   Otherwise, if you manually calculate your capital gain or loss, read on.
3. Enter your **Total current year capital gains**.
   This is calculated by adding all your capital gains for 2017–18 (except those that are disregarded). Do not apply capital losses, any CGT discounts or the small business concessions yet (other than the 15-year exemption).

4. Enter your **Net capital gain**.
   This is the amount remaining after applying to your current year capital gains, whichever of the following items are relevant to you (in the order listed):
   a. 2017–18 capital losses
   b. unapplied net capital losses from earlier years
   c. any CGT discounts
   d. the small business 50% active asset reduction
   e. the small business retirement exemption or rollover.

If you have capital losses to apply, you will find it to your advantage to apply them first to any capital gains that do not qualify for the CGT discount.

If you are an individual (including a beneficiary of a trust) and

- a foreign or temporary resident, or
- an Australian resident with a period of non-residency after 8 May 2012

and you have a discount capital gain, then you may not be entitled to the maximum CGT discount percentage of 50%. For more information, see Capital gains tax (CGT) discount for foreign resident individuals.

If the total amount remaining is positive or zero, enter the amount. If you have a negative amount, enter zero. You have net capital losses to carry forward to later income years.

You can only use capital losses from collectables to reduce capital gains from collectables. You must disregard capital losses from personal use assets.

5. Enter your **Net capital loss carried forward to later income years**.
   If you have a negative amount from your calculation of **Net capital gain** at step 4, you have a net capital loss to carry forward to later income years. You can use net capital losses from earlier years that you have not yet used to reduce a capital gain in later years.
6. Answer the question **Have you applied an exemption or rollover?**
   If **No**, go to step 8.
   If **Yes**, go to step 7.

7. Select the Capital gains tax exemption or rollover type code. For more information about CGT exemptions and rollovers, see Guide to capital gains tax.
8. Enter the amount of the credit you are entitled to claim under the foreign resident capital gains withholding rules.
9. If your current year capital gain or loss is more than $10,000, complete the CGT schedule.
10. Select **Save and continue**.

Capital gains and managed funds

How you complete this section will depend on your circumstances. Refer to this guide.

CGT exemption and roll-over type codes

Refer to this table to choose the exemption or rollover code that best describes your circumstances.

Completing the CGT schedule

Refer to this guide if your total current year capital gains or losses are over $10,000 to complete the CGT schedule.

What you may need

Refer to this information on Capital Gain Tax (CGT).

You need to know

There is a wide range of CGT events. Refer to this guide for more information.

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Capital gains and managed funds

How you complete this section will depend on your circumstances. Refer to this guide.

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How you complete this section will depend on your circumstances:

- If your only capital gains are from a managed fund and, at the **Managed funds** section, your share of the current year capital gains is $10,000 or less, you do not need to complete the **Capital gains or losses** section.
- If your only capital gains are from a managed fund and, at the **Managed funds** section, your share of the current year capital gains is more than $10,000, myTax will prompt you to complete the **Capital gains or losses** section.
  - myTax will complete **Total current year capital gains** and **Net capital gain** in the **Capital gains or losses** section from the information shown in the **Managed funds** section.
  - You will need to complete the Capital gains tax schedule.

Go to step 6 in Completing this section.

- If you have capital gains from a managed fund and a separate capital gains tax event during the year, when completing the **Capital gains or losses** section:
  - the capital gains amounts shown in the **Managed fund** section will be automatically carried over to the **Capital gains or losses** section for you to review, and
  - you will need to ensure that all your capital gains, including those from managed funds, are included in what you show at **Total current year capital gains** and **Net capital gain**.

Go to step 2 in Completing this section.

- If you have capital gains from a managed fund, no other capital gains tax event during the year but have a carried forward capital loss from a prior year:

- you should select the **Capital gains or losses that are not from a managed fund** checkbox on the **Personalise return** screen,
- the capital gains amounts shown in the **Managed fund** section will be automatically carried over to the **Capital gains or losses** section for you to review, and
- you will need to ensure that your capital gains from managed funds are included in what you show at **Total current year capital gains** and **Net capital gain**.

Go to step 2 in Completing this section.

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CGT exemption and roll-over type codes

Refer to this table to choose the exemption or rollover code that best describes your circumstances.

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Using the table below, choose the exemption or rollover code that best describes your circumstances. If more than one code applies, choose the code that applies to the largest amount of capital gain.

Use code **T** if you have either received or disposed of an asset under the Small business restructure roll-over provisions.

Code	CGT exemption or roll-over
A	Small business active asset reduction (Subdivision 152-C)
B	Small business retirement exemption (Subdivision 152-D)
C	Small business roll-over (Subdivision 152-E)

D	Small business 15 year exemption (Subdivision152-B)
E	Foreign resident CGT exemption (Division 855)
F	Scrip for scrip roll-over (Subdivision 124-M)
I	Main residence exemption (Subdivision 118-B)
J	Capital gains disregarded as a result of the sale of a pre-CGT asset
K	Disposal or creation of assets in a wholly-owned company (Division 122)
L	Replacement asset roll-overs (Division 124)
M	Exchange of shares or units (Subdivision 124-E)
N	Exchange of rights or options (Subdivision 124-F)
O	Exchange of shares in one company for shares in another company (Division 615)
P	Exchange of units in a unit trust for shares in a company (Division 615)
R	Demerger roll-over (Subdivision 125-B)
S	Same asset roll-overs (Division 126)
T	Small business restructure roll-over (Subdivision 328-G)
U	Early stage investor (Subdivision 360-A)
V	Venture capital investment (Subdivision 118-F)
X	Other exemptions and rollovers

Completing the CGT schedule

Refer to this guide if your total current year capital gains or losses are over $10,000 to complete the CGT schedule.

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You must complete the CGT schedule if your total current year capital gains or losses are more than $10,000. This includes if you received a distribution from a trust (including a managed fund) that has a net capital gain.

Net capital gain

The amounts you show in this section must equal the amounts you have shown at **Total current year capital gains**, **Net capital gain** and **Net capital loss carried forward to later income years**.

Current year capital gains and losses

Using the following categories, enter the 2017–18 total capital gain or capital loss amounts:

- shares in Australian listed companies
- other shares
- units in Australian listed unit trusts
- other units
- Australian real estate
- overseas real estate
- collectables

- other assets
- capital gains from trusts (including a managed fund).

Do not include capital gains that are disregarded, deferred or reduced, or capital losses that are disregarded, see **Exemptions and rollovers**.

For more information, see **Capital gains** tax.

Capital losses applied

Total current year capital losses applied*:* Enter the amount of current year capital losses you can apply to reduce your current year capital gains.

If you have current year capital losses that can be deducted, you cannot choose to defer those losses to a later income year. For more information, see **Applying current year capital losses** (disregard the word 'entity').

Total prior year net capital losses applied*:* Enter the amount of any remaining prior year net capital losses you can apply to reduce your current year capital gains, after you applied current year capital losses. Prior year net capital losses are the unapplied net capital losses carried forward from earlier income years.

If you have prior year net capital losses that can be applied, you cannot choose to defer those losses to a later income year. You can deduct prior year net capital losses from any remaining capital gains in the way that produces the best result. However, you must deduct them in the order in which they were made, for example, you must deduct a 1995–96 income year capital loss before a 1998–99 income year capital loss. If you have capital losses from collectables you can only apply those to your capital gains from collectables.

For more information, see **Capital gains** tax.

Total capital losses transferred in applied*:* This field is only applicable to group companies with net capital losses transferred in. You can leave this field blank.

Unapplied net capital losses carried forward

Net capital losses from collectables carried forward to later income years*:* If you have capital losses from collectables you can only apply those to your capital gains from collectables. If your prior year capital losses from collectables are greater than your current year capital gains from collectables remaining after applying current year capital losses from collectables, you need to reduce them to the amount of the gain. Any unapplied prior year net capital losses from collectables are carried forward to later income years.

Other net capital losses carried forward to later income years: Enter your unapplied capital losses. They will be available to reduce capital gains in later income years.

CGT discount

Total CGT discount applied: You can reduce any remaining current year capital gains after applying losses, using the discount method by the discount percentage (50% for individuals). You cannot apply the discount to capital gains calculated using the indexation method or the 'other' method.

Individuals (including a beneficiary of a trust and a partner in a partnership) who have a period of foreign residency after 8 May 2012 may not be entitled to the full 50% discount on a capital gain from a CGT event that happened after 8 May 2012. For more information, see Capital gains tax (CGT) discount for foreign resident individuals.

CGT concessions for small business

If you are a small business owner, you may qualify for one or more of the following small business CGT concessions:

- **Small business active asset reduction**
- **Small business retirement exemption,** or
- **Small business rollover**.

For more information, see Small business CGT concessions.

Other CGT information

Capital gains disregarded as a result of scrip for scrip rollover: You may roll over a capital gain if a company in which you hold shares is taken over and you receive shares in the takeover company and the takeover meets certain conditions. It can also apply if a trust or fund in which you hold units is taken over and you receive units in the takeover trust or fund. The company, trust or fund will usually advise investors if the conditions for rollover are met. For more information, see scrip for scrip rollover.

Capital gains disregarded as a result of inter-company assets rollover: A same asset rollover may be available where a company transfers or creates a CGT asset in another company that is a member of the same wholly-owned group, where at least one of the companies is a foreign resident. For more information, see inter-company asset rollover.

Capital gains disregarded by a demerging entity: You may be eligible to disregard any capital gains arising from a demerger if you are a demerging entity in a demerger group application. For more information, see demerger exemption.

Small business 15-year exemption: Subject to certain conditions being satisfied, this means a capital gain is totally disregarded if you or your small business entity has continuously owned the CGT asset for at least 15 years, and:

- you are 55 years old or over and retiring, or
- you are permanently incapacitated.

Enter the total amount of any capital gains disregarded by the small business 15-year exemption. Do not apply the CGT discount.

Select the code from the list below that best describes the CGT asset or CGT event from which you made the capital gain or produced the largest amount of capital gain:

S shares

U units in unit trusts

R real estate

G goodwill

O other CGT assets or CGT events not listed above.

Capital gains disregarded by a foreign resident: If you are a foreign resident, you are subject to CGT if a CGT event happens to a CGT asset that is 'taxable Australian property'. However, if you are eligible for an exemption then you may disregard the capital gain you have made. If your CGT asset is not a taxable Australian property, you do not need enter an amount.

Enter the total amount of any capital gains disregarded by the application of foreign resident exemption. Do not apply the CGT discount.

Earnout arrangements

Guide to capital gains tax has information on the look-through CGT treatment for certain Earnout arrangements.

Where the guide instructs you to write an amount at 7G on the schedule, you will need to lodge an amendment. Enter this amount in your myTax amendment at **Amended net capital gain or capital losses carried forward**.

If you have already lodged an amendment in relation to an earnout arrangement and wish to submit another amendment in relation to the earnout arrangement, you cannot use myTax. See Correct (amend) an income tax return.

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What you may need

Refer to this information on Capital Gain Tax (CGT).

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- Details of the amount of any unapplied net capital losses from earlier years.
- Documents showing the date you acquired any asset to which a CGT event happened, the date of the CGT event, and the date and amounts of any expenditure you incurred that form part of the cost base and reduced cost base of the asset or are taken into account in working out your capital gain or capital loss.
- Year-end, annual or distribution statements from trusts with net capital gains from which you received or were entitled to receive
  - distributions of income, or
  - distributions of non-assessable amounts.

You may also need one or more of the following publications to complete this section. They explain the three methods available to calculate a capital gain: the indexation method, the discount method and the 'other' method.

- **Capital gains tax** explains what a capital gain is, how it applies, what assets are included and the exceptions and exemptions.
- **Guide to capital gains tax** explains how CGT works and will help you to calculate your net capital gain or net capital loss. It covers CGT issues such as the sale of a rental property, vacant land, a holiday home, collectables (for example, jewellery), personal use assets (for example, a boat you use for recreation), and real estate, shares and units you inherited or got from the breakdown of your marriage or relationship.
- **Personal investors guide to capital gains tax** is shorter and simpler than *Guide to capital gains tax*. It covers:
  - the sale, gift or other disposal of shares and units
  - distribution of capital gains from managed funds
  - non-assessable payments from companies and managed funds.

It does not cover other CGT events, nor the CGT consequences for bonus shares, shares acquired under an employee share scheme, bonus units, rights and options, and shares and units where a takeover or demerger has occurred; for those see **Guide to capital gains tax**.

Small business CGT concessions explains what concessions are available to small businesses.

Keeping records from the start

You must keep records of every act, transaction, event or circumstance that may be relevant to working out your capital gain or capital loss, regardless of whether the CGT event has already happened, is about to happen or may happen in the future.

You must keep these records for five years from the time when no CGT event or further CGT event can happen. The records for these CGT events may be relevant to working out whether you have made a capital gain or capital loss from the event.

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You need to know

There is a wide range of CGT events. Refer to this guide for more information.

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On this page

There is a wide range of CGT events. For more common CGT events, see Did you have a capital gains tax event in 2017–18?

Examples of other CGT events:

- an asset you owned was lost or destroyed
- you received an amount for entering into an agreement, for example, you agreed not to work in a particular industry for a set period of time
- you entered into a conservation covenant over land that you owned
- you received a non-assessable payment from a trust or company.

You may also have made a capital gain if:

- you were a beneficiary of, or had money invested in, a trust (including a managed investment fund), and
- the trust made a capital gain.

If you are not sure whether a CGT event happened in 2017–18, see 'Appendix 1: Summary of CGT events' in **Guide to capital gains tax**.

You **cannot** deduct a capital loss from your income, but in most cases it can be used to reduce any capital gain you made in 2017–18.

You may disregard some capital gains and capital losses. Generally speaking, you disregard a capital gain or capital loss on:

- assets you acquired before 20 September 1985
- cars, motorcycles and similar vehicles
- compensation you received for personal injury
- disposal of your main residence
- collectables, for example an antique or jewellery, which you acquired for $500 or less
- the exchange of shares or units you owned in a company or trust under a takeover, if certain conditions were met
- shares in a company or interests in a trust where there had been a demerger and certain conditions had been met
- disposal of an asset to which the small business 15-year exemption applies
- disposal of certain investments by
  - a venture capital limited partnership
  - an early stage venture capital limited partnership
  - an Australian venture capital fund of funds
- disposal of shares in a pooled development fund
- personal use assets, such as boats, furniture, electrical goods and household items used or kept mainly for personal use or enjoyment. If you acquired it
  - for more than $10,000, you disregard only capital losses
  - for $10,000 or less, you disregard both capital gains and capital losses
- transfer of an asset where the Small business restructure roll-over is available (gains or losses are deferred until the asset is disposed of)
- shares in a qualifying early stage innovation company (ESIC) held for less than 10 years and, in the case of capital gains, the shares

were also held for at least 12 months; see **Tax incentives for early stage investors**.

If you are a foreign resident beneficiary of a trust, and if 'managed-investment trust withholding tax' is payable on an amount that you received from that trust (other than in the capacity of a trustee), do not include any part of that amount on your tax return.

Did you dispose of shares, stapled securities or rights acquired under an employee share scheme?

Employee share schemes enable you to:

- acquire shares or stapled securities, or
- obtain rights (including options) to acquire shares or stapled securities

in your employer's company at a discount. The amount of the capital gain may be reduced if you acquired your shares, stapled securities or rights under an employee share scheme.

See also

- Employee share schemes

Did you receive, or were you entitled to receive, a share of the income of a trust or managed fund?

Managed funds (unit trusts) include property trusts, share trusts, equity trusts, growth trusts, imputation trusts and balanced trusts. Other trusts include discretionary trusts, family trusts, hybrid trusts and business trusts.

Distributions from trusts and managed funds can include two components that have CGT consequences:

- distributions of trust income where the trust's net income for tax purposes includes a net capital gain, and
- distributions of non-assessable amounts.

You need to know whether your distribution includes these amounts. To find out, check the statement (distribution, year-end or annual statement) from the trust. The statement should also show which method the trust used to calculate the capital gains included in the trust's net capital gain. There are three methods of calculating capital gains:

- indexation
- discount
- 'other'.

You must use the same method as the trust to calculate your own net capital gain.

Trustees and fund managers may use different terms to describe the calculation methods they have used and they may refer to capital gains calculated using the indexation and 'other' methods as 'non-discount gains'. If in doubt, check with your trust or fund manager.

For more information, see **Guide to capital gains tax** and **Personal investors guide to capital gains tax**.

Did you make a capital gain or capital loss on your shares?

You may make a capital gain or capital loss by selling or giving away your shares, including by selling them to the company under a share buy-back arrangement. Even if you did not pay for your shares, for example, you received them under a demutualisation, you may make a capital gain or capital loss when you sell or give them away.

If you use dividends to acquire additional shares in a company, for example, through a dividend reinvestment plan, the additional shares are subject to CGT if you sell them or give them away.

There are other ways of making a capital gain or capital loss on shares. These include:

- If you held shares in a company and during 2017–18 a liquidator or administrator declared the shares worthless, you can choose to claim a capital loss equal to the reduced cost base of the shares (otherwise you may have to wait until the company is dissolved to claim the capital loss).
- If you received a non-assessable payment (also known as a return of capital) you may have to reduce the cost base and reduced cost base of your shares. If the amount of the non-assessable payment is more than the cost base of the shares, the difference is a capital gain.

Some major share transactions took place during 2017–18 that affected Australian shareholders, see **Events affecting shareholders**.

Did you make a capital gain or capital loss on cryptocurrency?

A CGT event occurs when you dispose of your cryptocurrency. If you sell, trade or exchange your cryptocurrency, use it to obtain goods or services or acquired cryptocurrency as an investment and have disposed of it, you may make a capital gain or a capital loss. If the disposal is part of a business you carry on, or part of a commercial transaction that you enter into with an intention of making a profit or gain, the profits you make on the disposal will generally be assessable as ordinary income and not as a capital gain. For more information, see Tax treatment of cryptocurrencies.

Did you sell a property you inherited?

Capital gains tax applies when you dispose of CGT assets that you inherited. However, if you inherited real estate, you may not have to pay CGT if you sold it within two years of the person's death, for example, if the property was the deceased person's main residence just before they died and they were not renting any of it out or using any of it for business purposes.

See also

- Guide to capital gains tax

Your home may be subject to capital gains tax

Under the 'main residence' exemption, you generally do not have to pay CGT on the disposal of your main residence. However, you may have to pay tax on some of your capital gain if:

- the property was not your main residence for the whole period you owned it
- you used the property, or part of it, to produce assessable income, for example, you rented it out
- the land area was greater than two hectares.

See also

- Guide to capital gains tax

Asset transfer on marriage or relationship breakdown

If you transferred an asset to your spouse as a result of a marriage or relationship breakdown, in certain cases there are no immediate CGT consequences. In these cases there is automatic rollover (you cannot choose whether or not it applies).

However, the person who receives the asset (the transferee spouse) will usually make a capital gain or capital loss when they dispose of the asset. If you were the transferee spouse and rollover applies, you may need to get cost base information from your former spouse or their tax adviser.

See also

- Guide to capital gains tax

Your spouse includes another person (of any sex) who:

- you were in a relationship with that was registered under a prescribed state or territory law,
- although not legally married to you, lived with you on a genuine domestic basis in a relationship as a couple.

Foreign residents

Foreign residents who are individuals are subject to CGT on:

- direct interests in real estate located in Australia
- an interest in an entity where they and their associates hold 10% or more of the entity and the value of their interest is principally attributable to Australian real estate
- an asset they have used in carrying on a business through a permanent establishment in Australia
- an option or right to acquire one of the above.

Foreign resident capital gains withholding (FRCGW)

Under the FRCGW rules, foreign residents that dispose of certain Australian assets may have an amount withheld from the sale proceeds they receive.

Similarly, Australian resident vendors could have amounts withheld from their sale proceeds if they:

- dispose of Australian real property with a market value of $750,000 or more, without providing the purchaser with an ATO-issued clearance certificate, or
- dispose of an indirect Australian real property interest without providing the purchaser with a valid vendor declaration (resident).

If you have had amounts withheld from you during the year you are entitled to claim a credit for those amounts paid to the Commissioner by the withholder.

See also

- Guide to capital gains tax

Temporary residents

Temporary residents are subject to CGT in the same way as foreign residents.

See Tax-free income for temporary residents in **Amounts that you do not pay tax on** for the definition of a temporary resident and details of the exemption.

There are special rules for shares and rights acquired under an employee share scheme.

See also

- Guide to capital gains tax

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Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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