



Taxation Determination

Income tax: capital gains: is a capital gain or capital loss made from an antique car, a veteran car or a vintage car disregarded?

Preamble

*The number, subject heading, date of effect and paragraphs 1 to 3 and 5 of this Taxation Determination are a 'public ruling' for the purposes of Part IVAAA of the **Taxation Administration Act 1953** and are legally binding on the Commissioner. The remainder of the Determination is administratively binding on the Commissioner. Taxation Rulings TR 92/1 and TR 97/16 together explain how a Determination is legally or administratively binding.*

Date of Effect

This Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

1. Yes.

2. Section 118-5 of the *Income Tax Assessment Act 1997* states that you disregard a capital gain or capital loss you make on a car, motor cycle or similar vehicle. A car is defined to be 'a motor vehicle designed to carry a load of less than 1 tonne and fewer than 9 passengers' (subsection 995-1(1)).

3. A car is a CGT asset under Division 108. A car may be a collectable in terms of subsection 108-10(2) if it is an antique. A car may be a personal use asset in terms of subsection 108-20(2) if it is used or kept mainly for your (or your associate's) personal use or enjoyment. In either case, it remains a car for the purposes of section 118-5 and any capital gain or capital loss made on it is disregarded under that section.

Note 1:

4. The word 'antique' describes an object of artistic and historical significance that, when a CGT event happens to it, is of an age exceeding 100 years: see Taxation Determination TD 1999/40.

Note 2:

5. A capital gain or capital loss you make on an antique, veteran or vintage motor vehicle designed to carry a load of 1 tonne or more and 9 or more passengers is not disregarded.

Commissioner of Taxation

13 September 2000

Previous draft:

Previously issued as TD 1999/D71

Related Rulings/Determinations

TD 1999/40;

Subject references:

- antique
- car
- capital gain
- CGT asset
- collectable
- personal use asset
- veteran car
- vintage car

Legislative references:

- ITAA 1997 Div 108
 - ITAA 1997 108-10(2)
 - ITAA 1997 108-20(2)
 - ITAA 1997 118-5
 - ITAA 1997 995-1(1)
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ATO references:

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