



Taxation Determination

Income tax: capital gains: what is the improvement threshold for the 2014-15 income year under section 108-85 of the *Income Tax Assessment Act 1997*?

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Ruling

1. For the 2014-15 income year, the improvement threshold is \$140,443.

Date of effect

2. This Taxation Determination applies for the 2014-15 income year.

Commissioner of Taxation

25 June 2014

Appendix 1 – Explanation

❶ *This Appendix is provided as information to help you understand how the Commissioner's view has been reached. It does not form part of the binding public ruling.*

Explanation

3. For the 2014-15 income year, the improvement threshold is \$140,443.
4. The improvement threshold is determined for the purposes of section 108-70 of the *Income Tax Assessment Act 1997* (ITAA 1997) (about when a capital improvement to a pre-CGT asset is a separate asset). It is also determined for the purposes of section 108-75 of the ITAA 1997 (about capital improvements to CGT assets for which a rollover may be available).
5. The improvement threshold is indexed annually – see subsection 108-85(2) of the ITAA 1997.
6. Subdivision 960-M of the ITAA 1997 (about indexation) provides guidance on how to index the improvement threshold amount and how to calculate the indexation factor – see sections 960-270 and 960-275 of the ITAA 1997.
7. This Taxation Determination must be published before the start of the 2014-15 financial year as required by subsection 108-85(3) of the ITAA 1997.

References

Previous draft:

Not previously issued as a draft

- indexation
- improvement threshold
- separate CGT asset

Related Rulings/Determinations:

TD 94/56; TD 95/23; TD 96/30; TD 97/12;
 TD 98/13; TD 1999/29; TD 2000/25;
 TD 2001/12; TD 2002/12; TD 2003/13;
 TD 2004/15; TD 2005/20; TD 2006/41;
 TD 2007/19; TD 2008/13; TD 2009/12;
 TD 2010/16; TD 2011/13; TD 2012/14;
 TD 2013/19

Legislative references:

- TAA 1953
- ITAA 1997 108-70
- ITAA 1997 108-75
- ITAA 1997 108-85
- ITAA 1997 108-85(2)
- ITAA 1997 108-85(3)
- ITAA 1997 Subdiv 960-M
- ITAA 1997 960-270
- ITAA 1997 960-275
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Subject references:

- capital gains tax
- CGT asset

ATO references

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