



TD 24 - Capital Gains: How is cash acquired after 19 September 1985 treated for section 160ZZT purposes?

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CGT Cell Determinations do not have the force of law, but can be relied upon as being the considered view of the ATO. Unless otherwise stated, the view expressed may be applied to transactions entered into both before and after the date of issue of the Determination.

CGT Determination Number 24

Capital Gains: How is cash acquired after 19 September 1985 treated for section 160ZZT purposes?

Determination

1. For the purposes of this Determination, cash is taken to be money on hand i.e. physically-held.
2. Cash acquired by a private company or private trust estate after 19 September 1985 is considered to be part of the underlying property in section 160ZZT.
3. Accordingly, where the total value of the cash and other property acquired after 19 September 1985 is not less than 75% of the net worth of the relevant entity, section 160ZZT may have application.
4. However, the capital gain attributable to cash would be nil because the value of the cash at the date of disposal of either the shares or an interest in a private trust estate would be the same as at the date it was acquired .

Note: In determining whether or not cash held at 19 September 1985 is still held post-CGT, a "first in first out" basis will be acceptable.

COMMISSIONER OF TAXATION

31 October 1991

FOI INDEX DETAIL: Reference No. CGT 24

Subject Ref: Cash acquired

Underlying property

Legislative Ref: 160ZZT

ATO Ref: N.O. 86/9834-1

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