



TD 36 - Capital Gains:When is a renewal of a statutory licence "wholly or principally attributable to" the taxpayer's ownership of the original licence?

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CGT Determination Number 36

Capital Gains: When is a renewal of a statutory licence "wholly or principally attributable to" the taxpayer's ownership of the original licence?

Determination

1. A further requirement for roll-over relief to be available under section 160ZZPE is that the renewal of a statutory licence is 'wholly or principally attributable to' the ownership of the original licence.
2. This requirement will be satisfied if the taxpayer's ownership of the original licence was the sole or primary reason for being granted the fresh licence.

Note: This determination should be read in conjunction with CGT 35 and CGT 37.

Example:

*If the fisherman in the example referred to in CGT 35 acquired his fresh permit at an auction, where attendance was restricted to persons who already own fishing permits, the acquisition would **not** be considered to be wholly or principally attributable to his ownership of the existing permit.*

Although the ownership of the original permit was relevant because it allowed him to attend the auction, the primary reason for receiving the fresh permit was the amount of the fisherman's bid.

COMMISSIONER OF TAXATION
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Subject Ref: Statutory licences

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