

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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 This ruling contains references to repealed provisions, some of which may have been rewritten. The ruling still has effect. Paragraph 32 in TR 2006/10 provides further guidance on the status and binding effect of public rulings where the law has been repealed or repealed and rewritten. The legislative references at the end of the ruling indicate the repealed provisions and, where applicable, the rewritten provisions.

 This document has changed over time. This is a consolidated version of the ruling which was published on *29 November 2006*

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 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

19 December 1991

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Subject Ref: Statutory licences

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