



# ***TD 7A - Addendum - Capital gains: what are the CGT consequences of subdividing pre-CGT land?***

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## Addendum

### Capital gains: what are the CGT consequences of subdividing pre-CGT land?

*This Addendum forms part of the Determination; it is not a 'public ruling' in terms of Part IVAAA of the **Taxation Administration Act 1953**. Taxation Rulings TR 92/1 and TR 97/16 together explain when a Determination is a public ruling and how it is binding on the Commissioner.*

*The Tax Law Improvement Project is restructuring, renumbering and rewriting the income tax law in plain language. The Parliament is amending the income tax law progressively to reflect these aims. As new laws come into effect, Taxation Rulings (including Taxation Determinations) about old laws are being brought into line with them.*

This Addendum amends Tax Determination TD 7 from the beginning of the 1998-99 income year, as follows, to change section references and terms used in this Determination to those used in the *Income Tax Assessment Act 1997* (ITAA97). There is no change in the views expressed in TD 7.

1. **Paragraph 1**

Omit 'there is no change in ownership.'; substitute 'no CGT event has happened. The subdividing of the land is not itself a CGT event: section 112-25 of the ITAA97.'

2. **Paragraph 2**

Omit 'sub-section 160P(6)'; substitute 'subsections 108-70(2) and 108-70(3)'.

3. **Note** Omit 'as ordinary income'; substitute 'as ordinary or statutory income under sections 6-5 or 6-10'.

**Commissioner of Taxation**

10 March 1999

**Legislative references:** ITAA97 6-5; ITAA97 6-10; ITAA97 108-70(2); ITAA97 108-70(3); ITAA97 112-25

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