


# ***TD 93/D75 - Income tax: capital gains: how is the removal of a building from a block of land treated for CGT purposes?***

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This document has been finalised by TD 93/180.

Draft Taxation Determinations (TDs) represent the preliminary, though considered, views of the ATO. Draft TDs may not be relied on; only final TDs are authoritative statements of the ATO.

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## Draft Taxation Determination

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### **Income tax: capital gains: how is the removal of a building from a block of land treated for CGT purposes?**

1. The removal of a building from a block of land is not a disposal of any asset because, at that time, there is no change in ownership of either the land or the building.
2. Rather, the original asset has been split into two separate assets (the land and the building). Where the original asset was acquired post-CGT, its cost base immediately before the removal is apportioned between the split assets (subsection 160ZH(12) of the *Income Tax Assessment Act 1936*).

*Example:*

*Land with a building attached is purchased in 1987. In 1992, the building is relocated to another site.*

*For CGT purposes, there is no disposal arising from the removal of the building.*

*The cost base of the original asset is apportioned between the land and the building.*

**Commissioner of Taxation**

1/4/93

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FOI INDEX DETAIL: Reference No.

Related Determinations: TD 7; TD 93/D65 ; TD 93/D76; TD 93/D77; TD 93/D78; TD 93/D79

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