


TD 93/D78 - Income tax: capital gains: what are the CGT implications of removing a post-CGT building from post-CGT land and relocating it on pre-CGT land?

 This cover sheet is provided for information only. It does not form part of *TD 93/D78 - Income tax: capital gains: what are the CGT implications of removing a post-CGT building from post-CGT land and relocating it on pre-CGT land?*

This document has been finalised by [TD 93/183](#).

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.

Draft Taxation Determination

Income tax: capital gains: what are the CGT implications of removing a post-CGT building from post-CGT land and relocating it on pre-CGT land?

1. The removal of the building is not a disposal of an asset and on removal, the building and land are split into separate assets (see TD 93/D75).
2. The cost base of the post-CGT building and land is apportioned under subsection 160ZH(12) of the *Income Tax Assessment Act 1936*.
3. On relocation of the building to the pre-CGT land, the building continues to be a separate post-CGT asset (see TD 93/D77).
4. Any capital improvements made to the pre-CGT land will be a separate asset provided the requirements in subsection 160P(6) are satisfied.
5. The pre-CGT land remains a pre-CGT asset. Upon disposal of the land and building, a capital gain or capital loss may only arise in respect of the building (and capital improvements if they are treated as a separate asset).

Commissioner of Taxation

1/4/93

FOI INDEX DETAIL: Reference No.

Related Determinations: TD 6; TD 93/D75; TD 93/D76; TD 93/D77; TD 93/D79

Subject Ref: Building relocation; capital improvements; composite asset; cost base; disposal of an asset; separate asset

Legislative Ref: ITAA 160P(4); ITAA 160P(6); ITAA 160ZH(12)

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