



TD 93/181W - Income tax: capital gains: a building acquired pre-CGT is relocated to land acquired post-CGT - can the relocation costs be included in the cost base of the post-CGT land?

 This cover sheet is provided for information only. It does not form part of *TD 93/181W - Income tax: capital gains: a building acquired pre-CGT is relocated to land acquired post-CGT - can the relocation costs be included in the cost base of the post-CGT land?*

 This document has changed over time. This is a consolidated version of the ruling which was published on 8 September 2010



Notice of Withdrawal

Taxation Determination

Income tax: capital gains: a building acquired pre-CGT is relocated to land acquired post-CGT – can the relocation costs be included in the cost base of the post-CGT land?

Taxation Determination TD 93/181 is withdrawn with effect from today.

1. Taxation Determination TD 93/181 states that relocation costs form part of the cost base of the post-CGT land to which a building is relocated if the conditions in paragraph 160ZH(1)(c) of the *Income Tax Assessment Act 1936* (ITAA 1936) are satisfied.
2. Paragraph 160ZH(1)(c) of the ITAA 1936 was rewritten as subsection 110-25(5) of the *Income Tax Assessment Act 1997* (ITAA 1997). Subsection 110-25(5) of the ITAA 1997 was amended by the *Tax Laws Amendment (2006 Measures No. 1) Act 2006* with effect from 1 July 2005 for CGT events happening on or after 1 July 2005. The changes removed the requirement, to be included in the cost base under the fourth element, that the expenditure be reflected in the state or nature of the asset at the time of the CGT event. Under the current law, it is sufficient that the purpose or expected effect of the expenditure is to increase or preserve the asset's value. Accordingly there is no longer a need to clarify the application of the law to relocation costs.
3. As TD 93/181 is not interpretative in nature, it is not necessary to replace it.

Commissioner of Taxation

8 September 2010

ATO references

NO: 1-1Y9NQKG

ISSN: 1038-8982

ATOlaw topic: Income Tax ~~ Capital Gains Tax ~~ CGT assets