

TD 93/183 - 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?

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! This document has changed over time. This is a consolidated version of the ruling which was published on 9 September 1993

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

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 93/180).
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 93/182).
4. Any capital improvements made to the pre-CGT land will be treated as an asset separate from the land where the threshold tests 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
9/9/93

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