



TD 94/78 - Income tax: capital gains: is rollover relief available if a taxpayer receives cash and an asset as compensation for the compulsory acquisition of an asset?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *8 September 1994*

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: is rollover relief available if a taxpayer receives cash and an asset as compensation for the compulsory acquisition of an asset?

1. Yes. The combined effect of sections 160ZZK and 160ZZL of the *Income Tax Assessment Act 1936* is that rollover relief is available provided that the requirements of those sections are otherwise satisfied.
2. Section 160ZZK applies in relation to the part of the compulsorily acquired asset for which cash is received as compensation. Section 160ZZL applies in relation to that portion of the compulsorily acquired asset for which a replacement asset is received.

Example:

X acquired land in 1983. The State Government compulsorily acquires this land in exchange for \$1million and another piece of land that it owned. X uses the \$1million to acquire additional land.

If appropriate elections are made, sections 160ZZK and 160ZZL work together to deem the new pieces of land to have been acquired before 20 September, 1985.

Commissioner of Taxation

8/9/94