



TD 56W - Capital gains: what are the CGT consequences of a lessee incurring capital expenditure on improvements to leased property?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *28 October 1998*

Notice of Withdrawal

Capital gains: what are the CGT consequences of a lessee incurring capital expenditure on improvements to leased property?

1. Taxation Determination TD 56 is withdrawn with effect from today. It is replaced by Taxation Determination TD 98/23, which applies to capital expenditure on improvements to leased property incurred by a lessee both before and after the beginning of the 1998-99 income year.
2. There is no material change from the views that were expressed in TD 56. However, TD 98/23 includes a reference to the cost base recoupment provision (subsection 110-25(8) of the *Income Tax Assessment Act 1997*), which now includes a change made to clarify that a recoupment of expenditure cannot both reduce the cost base and be included in assessable income. The change adopts the Commissioner's interpretation of the old law.

Commissioner of Taxation

28 October 1998

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