



# ***TD 7 - Capital Gains: What are the CGT consequences of sub-dividing 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 *10 September 1991*

*CGT Cell Determinations do not have the force of law, but can be relied upon as being the considered view of the ATO. Unless otherwise stated, the view expressed may be applied to transactions entered into both before and after the date of issue of the Determination.*

## CGT Determination Number 7

### Capital Gains: What are the CGT consequences of sub-dividing pre-CGT land?

#### Determination

1. Where pre-CGT land is sub-divided after 19 September 1985 the land will maintain its pre-CGT acquisition date because there is no change in ownership.

2. In such cases, sub-section 160P(6) may have application.

**Note:** Profits from the sub-division may be taxed as ordinary income .

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