TD 9 - Capital Gains: How do you apportion consideration received on the disposal of a composite asset?

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This ruling contains references to repealed provisions, some of which may have been rewritten. The ruling still has effect. Paragraph 32 in TR 2006/10 provides further guidance on the status and binding effect of public rulings where the law has been repealed or repealed and rewritten. The legislative references at the end of the ruling indicate the repealed provisions and, where applicable, the rewritten provisions.

This document has changed over time. This is a consolidated version of the ruling which was published on *29 November 2006*

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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 9

Capital Gains: How do you apportion consideration received on the disposal of a composite asset?

Determination

1. Section 160P outlines a number of situations in which the consideration for the disposal of a composite asset (deemed to comprise separate assets) requires apportionment.

2. There is no statutory formula to be used by taxpayers in determining the consideration for the disposal of an asset deemed by section 160P to be a separate asset.

3. It is not mandatory that taxpayers obtain an independent valuation for the purposes of apportioning the consideration received on disposal. Each taxpayer should take whatever steps are appropriate to determine the valuation of the particular asset. Taxpayers who choose to do their own apportionments will, of course, need to be in a position to justify the estimates that they make.

Note: The ATO may challenge valuations where appropriate.

COMMISSIONER OF TAXATION
10 September 1991

FOI INDEX DETAIL: Reference No. CGT 9

Subject Ref: Disposal of composite asset
Apportionment of consideration

Legislative Ref: 160P ATO Ref: N.O. 86/7539-2

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