


***TD 2004/66A1 - Addendum - Income tax:  
consolidation: capital gains: can section 104-530  
(CGT event L7) of the Income Tax Assessment Act  
1997 only apply if an allocable cost amount is worked  
out for an entity?***

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## Addendum

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### Taxation Determination

Income tax: consolidation: capital gains: can section 104-530 (CGT event L7) of the *Income Tax Assessment Act 1997* only apply if an allocable cost amount is worked out for an entity?

This Addendum amends Taxation Determination TD 2004/66 to take into account the changes introduced by Schedule 5 to the *Tax Laws Amendment (2010 Measures No. 1) Act 2010*.

#### TD 2004/66 is amended as follows:

**1. Paragraph 2**

Omit the paragraph; substitute:

2. Under section 104-530 (CGT event L7) of the *Income Tax Assessment Act 1997* (ITAA 1997), if the amount of a liability taken into account in working out the allocable cost amount (ACA) for an entity that becomes a subsidiary member of a consolidated group is later discharged for a different amount (the realised amount), the head company may make a capital loss. A capital loss will arise if the liability is discharged by the head company on or after 1 July 2002 and before 10 February 2010 and the ACA would have been greater had the realised amount been taken into account in working out the ACA.

**2. Paragraph 4**

Omit 'years commencing both before and after its date of issue'; substitute 'a capital loss under CGT event L7 that arises on or after 1 July 2002 and before 10 February 2010.'

This Addendum applies on and after 1 July 2002, the date of application of the amendments to the *Income Tax Assessment Act 1997* made by Part 12 of Schedule 5 to *Tax Laws Amendment (2010 Measures No. 1) Act 2010*. The effect of the amendments is that TD 2004/66 will only apply where a capital loss arises under CGT event L7 before 10 February 2010.

# TD 2004/66

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**Commissioner of Taxation**

22 June 2011

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ATO references

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