

# ***TD 93/180 - Income tax: capital gains: how is the removal of a building from a block of land that does not amount to a loss or destruction, treated for CGT purposes ?***

! This cover sheet is provided for information only. It does not form part of *TD 93/180 - Income tax: capital gains: how is the removal of a building from a block of land that does not amount to a loss or destruction, treated for CGT purposes ?*

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 This ruling contains references to repealed provisions, some of which may have been rewritten.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32 in IR 2006/10 provides further guidance on the status and binding effect of public rulings where the law has been repealed or repealed and rewritten. The legislative references at the end of the ruling indicate the repealed provisions and, where applicable, the rewritten provisions.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

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: how is the removal of a building from a block of land that does not amount to a loss or destruction, treated for CGT purposes ?**

1. The removal of a building from a block of land is not a disposal of any asset because, at that time, there is no change in ownership of either the land or the building. Rather, the original asset has been split into two separate assets (the land and the building).
2. In the event of a subsequent separate disposal of the land and building, the respective cost bases are determined in accordance with subsection 160ZH(12) of the *Income Tax Assessment Act 1936*. That is, where the original asset was acquired post-CGT, its cost base immediately before the removal is apportioned between the split assets.

#### *Example:*

*Land with a building attached is purchased in 1987. In 1992, the building is relocated to another site.*

*For CGT purposes, there is no disposal arising from the removal of the building.*

*The cost base of the original asset is apportioned between the land and the building.*

**Commissioner of Taxation**

9/9/93

---

FOI INDEX DETAIL: Reference No. I 1216114

Previously issued as Draft TD 93/D75

Related Determinations: TD 7; TD 93/79 ; TD 93/181; TD 93/182; TD 93/183; TD 93/184

Subject Ref: Apportionment; disposal of an asset; removal of a building from land; split assets

Legislative Ref: ITAA 160ZH(12)

ATO Ref:TD/92/0026/PAR (CGTDET 58)

---

ISSN 1038 - 3158