

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 ?

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⚠ This document has changed over time. This is a consolidated version of the ruling which was published on *21 April 2010*

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).

[Note: This is a consolidated version of this document. Refer to the Tax Office Legal Database (<http://law.ato.gov.au>) to check its currency and to view the details of all changes.]

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 does not result in any CGT event happening. 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 section 112-25 of the *Income Tax Assessment Act 1997*. That is, where the original asset was acquired post-CGT, its cost base immediately before the removal is apportioned between the split assets.

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 93/181; TD 93/182; TD 93/183; TD 93/184
Subject Ref: CGT cost base modification apportionment rule; CGT events
Legislative Ref: ITAA 1997 112-25
ATO Ref:TD/92/0026/PAR (CGTDET 58)

ISSN 1038 - 3158