



TD 93/183 - Income tax: capital gains: what are the CGT implications of removing a post-CGT building from post-CGT land and relocating it on pre-CGT land?

 This cover sheet is provided for information only. It does not form part of *TD 93/183 - Income tax: capital gains: what are the CGT implications of removing a post-CGT building from post-CGT land and relocating it on pre-CGT land?*

 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: what are the CGT implications of removing a post-CGT building from post-CGT land and relocating it on pre-CGT land?

1. No CGT event happens when the building is removed. On removal, the building and land are split into separate assets (see TD 93/180).
2. The cost base of the post-CGT building and land is apportioned under section 112-25 of the *Income Tax Assessment Act 1997*.
3. On relocation of the building to the pre-CGT land, the building continues to be a separate post-CGT asset (see TD 93/182).
4. Any capital improvements made to the pre-CGT land will be treated as an asset separate from the land where the threshold tests in subsections 108-70(2) and (3) are satisfied.
5. The pre-CGT land remains a pre-CGT asset. Upon disposal of the land and building, a capital gain or capital loss may only arise in respect of the building (and capital improvements if they are treated as a separate asset).

Commissioner of Taxation

9/9/93

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Related Determinations: TD 93/180; TD 93/181; TD 93/182; TD 93/184

Subject Ref: CGT assets; CGT composite assets; CGT cost base; CGT cost base modification-split, changed or merged asset rule; CGT separate assets; pre-CGT assets

Legislative Ref: ITAA 1997 108-70(2) & (3); ITAA 1997 112-25

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