



TD 95/12 - Income tax: capital gains: how should interim and final liquidation distributions received by shareholders be 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 *20 April 1995*



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 should interim and final liquidation distributions received by shareholders be treated for CGT purposes?

1. An interim liquidation distribution is not 'consideration in respect of the disposal' of shares for the purposes of subsection 160ZD(1) of the *Income Tax Assessment Act 1936*.
2. Because the distribution is a payment in respect of shares, section 160ZL applies if the relevant shares were acquired after 19 September 1985 to the extent that the distribution:
 - is not a dividend in terms of subsection 47(1); or
 - is a section 160ZLA dividend rebatable adjustment (section 160ZLA; subsection 160ZL(5)).
3. A final liquidation distribution is 'consideration in respect of the disposal' of shares for the purposes of subsection 160ZD(1).
4. When a final distribution is made, we expect that the liquidator would so describe it to ensure that shareholders are aware that it is a final distribution.

Commissioner of Taxation

20/4/95

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