

EXAMPLE 54 (cont.): Sale of a rental property

CAPITAL GAIN OR CAPITAL LOSS WORKSHEET

CGT asset type or CGT event Shares and units (in unit trusts) Forestry managed investment scheme interest Collectables⁵
 Real estate Other CGT assets and any other CGT events⁴ Hedging financial arrangements⁶

Description of CGT asset or CGT event Brett's property at 30 Jones St. Oldtown

Date of acquisition 01/07/1997 **Date of CGT event** 01/02/2012

ELEMENTS OF THE COST BASE OR REDUCED COST BASE	1 Amount	2 Amounts to be deducted for cost base ¹⁰	3 Cost base (1 – 2)	4 Amounts to be deducted for reduced cost base ¹⁰	5 Reduced cost base (1 – 4)	6 Indexation factor ¹¹	7 Cost base indexed (3 × 6)
Acquisition or purchase cost of the CGT asset ⁷	144,000	0	144,000			$1234 \div 119.7 = 1.031$	148,464
Incidental costs to acquire the CGT asset	20,000	0	20,000			1.031	20,620
Incidental costs that relate to the CGT event ⁸	12,500	0	12,500			1 (no indexation)	12,500
Costs of owning the CGT asset ⁹	33,000	33,000	0				0
Capital expenditure to increase or preserve the asset's value or to install or move it	30,000	255	29,745			1 (no indexation)	29,745
Capital costs to establish, preserve or defend title to, or a right over, the CGT asset							
	Cost base unindexed		\$ 206,245				
				Reduced cost base		\$	
					Cost base indexed		\$ 211,329

CAPITAL GAIN CALCULATION					
Indexation method		Discount method		'Other' method (CGT asset held less than 12 months)	
Capital proceeds ¹²	\$ 496,000	Capital proceeds ¹²	\$ 496,000	Capital proceeds ¹²	\$
less: cost base indexed	\$ 211,329	less: cost base unindexed	\$ 206,245	less: cost base unindexed	\$
Capital gain (a)	\$ 284,671	Capital gain (b)*	\$ 289,755	Capital gain	\$

* In choosing between capital gain (a) or (b), remember that the CGT discount will not apply to (a) but it will reduce the amount of capital gain remaining after capital losses are deducted from (b).

Transfer the capital gain to **part A1** of the *CGT summary worksheet*, except for a capital gain from collectables which is transferred to **part A2** of that worksheet.

CAPITAL LOSS CALCULATION	
Capital loss	
Reduced cost base	\$
less: capital proceeds ¹²	\$
Capital loss¹³	\$

Transfer the capital loss to **part B** of the *CGT summary worksheet*, except for a capital loss from collectables which is transferred to **part A2** of that worksheet.