

**EXAMPLE 46 (cont.): Using all three methods to calculate a capital gain**

## CAPITAL GAIN OR CAPITAL LOSS WORKSHEET

**CGT asset type or CGT event**      Shares and units (in unit trusts)       Forestry managed investment scheme interest       Collectables<sup>5</sup>   
 Real estate       Other CGT assets and any other CGT events<sup>4</sup>       Hedging financial arrangements<sup>6</sup>

**Description of CGT asset or CGT event**      *Tony's 2,500 shares in Kimbin Ltd - Exercise of rights, given 1/7/2007, exercised 1/8/2007*

**Date of acquisition**      *01/08/2007*      **Date of CGT event**      *01/12/2007*

<b>ELEMENTS OF THE COST BASE OR REDUCED COST BASE</b>	<b>1</b> Amount	<b>2</b> Amounts to be deducted for cost base <sup>10</sup>	<b>3</b> Cost base (1 – 2)	<b>4</b> Amounts to be deducted for reduced cost base <sup>10</sup>	<b>5</b> Reduced cost base (1 – 4)	<b>6</b> Indexation factor <sup>11</sup>	<b>7</b> Cost base indexed (3 × 6)
Acquisition or purchase cost of the CGT asset <sup>7</sup>	4,500	0	4,500				
Incidental costs to acquire the CGT asset							
Incidental costs that relate to the CGT event <sup>8</sup>	110	0	110				
Costs of owning the CGT asset <sup>9</sup>							
Capital expenditure to increase or preserve the asset's value or to install or move it							
Capital costs to establish, preserve or defend title to, or a right over, the CGT asset							
	<b>Cost base unindexed</b>		<b>\$ 4,610</b>				
				<b>Reduced cost base</b>	<b>\$</b>		
						<b>Cost base indexed</b>	<b>\$</b>

<b>CAPITAL GAIN CALCULATION</b>					
<b>Indexation method</b>		<b>Discount method</b>		<b>'Other' method (CGT asset held less than 12 months)</b>	
Capital proceeds <sup>12</sup>	\$	Capital proceeds <sup>12</sup>	\$	Capital proceeds <sup>12</sup>	\$ 7,500
less: cost base indexed	\$	less: cost base unindexed	\$	less: cost base unindexed	\$ 4,610
<b>Capital gain (a)</b>	<b>\$</b>	<b>Capital gain (b)*</b>	<b>\$</b>	<b>Capital gain</b>	<b>\$ 2,890</b>

\* 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.

<b>CAPITAL LOSS CALCULATION</b>	
<b>Capital loss</b>	
Reduced cost base	\$
less: capital proceeds <sup>12</sup>	\$
<b>Capital loss<sup>13</sup></b>	<b>\$</b>

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.

**EXAMPLE 46 (cont.): Using all three methods to calculate a capital gain****CAPITAL GAIN OR CAPITAL LOSS WORKSHEET****CGT asset type or CGT event**Shares and units (in unit trusts)  Collectables<sup>5</sup> Real estate  Other CGT assets and any other CGT events<sup>4</sup>  Hedging financial arrangements<sup>6</sup> **Description of CGT asset or CGT event**

Tony's 10,000 shares in Kimbin Ltd

**Date of acquisition**

01/07/1993

**Date of CGT event**

01/12/2007

**ELEMENTS OF THE COST BASE OR REDUCED COST BASE**

	1	2	3	4	5	6	7
	Amount	Amounts to be deducted for cost base <sup>10</sup>	Cost base (1 - 2)	Amounts to be deducted for reduced cost base <sup>10</sup>	Reduced cost base (1 - 4)	Indexation factor <sup>11</sup>	Cost base indexed (3 x 6)
Acquisition or purchase cost of the CGT asset <sup>7</sup>	20,000	0	20,000			1.124	22,480
Incidental costs to acquire the CGT asset	300	0	300			1.124	337
Incidental costs that relate to the CGT event <sup>8</sup>	440	0	440			1 (no indexation)	440
Costs of owning the CGT asset <sup>9</sup>							
Capital expenditure to increase or preserve the asset's value or to install or move it							
Capital costs to establish, preserve or defend title to, or a right over, the CGT asset							
<b>Cost base unindexed</b>			<b>\$ 20,740</b>		<b>\$</b>		
<b>Reduced cost base</b>					<b>\$</b>		
<b>Cost base indexed</b>							<b>\$ 23,257</b>

**CAPITAL GAIN CALCULATION**

Indexation method	Discount method	'Other' method (CGT asset held less than 12 months)
Capital proceeds <sup>12</sup> \$ 30,000	Capital proceeds <sup>12</sup> \$ 30,000	Capital proceeds <sup>12</sup> \$
less: cost base indexed \$ 23,257	less: cost base unindexed \$ 20,740	less: cost base unindexed \$
<b>Capital gain (a) \$ 6,743</b>	<b>Capital gain (b)* \$ 9,260</b>	<b>Capital gain \$</b>

\* 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 <sup>12</sup> \$
<b>Capital loss<sup>13</sup> \$</b>

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.