

# CAPITAL GAIN OR CAPITAL LOSS WORKSHEET

This worksheet helps you calculate a capital gain for each CGT asset or any other CGT event<sup>1</sup> using the indexation method<sup>2</sup>, the discount method<sup>3</sup> and the 'other' method (CGT asset held less than 12 months). It also helps you calculate a capital loss.

## CGT asset type or CGT event

|  |                          |  |                          |   |                          |
|--|--------------------------|--|--------------------------|---|--------------------------|
| Shares in companies listed on an Australian securities exchange <sup>4</sup> | <input type="checkbox"/> | Other shares <sup>5</sup>                      | <input type="checkbox"/> | Units in unit trusts listed on an Australian securities exchange <sup>6</sup> | <input type="checkbox"/> |
| Other units <sup>7</sup>   | <input type="checkbox"/> | Real estate situated in Australia <sup>8</sup> | <input type="checkbox"/> | Other real estate <sup>9</sup>  | <input type="checkbox"/> |
| Amount of capital gains from a trust <sup>10</sup>                           | <input type="checkbox"/> | Collectables <sup>11</sup>                     | <input type="checkbox"/> | Other CGT assets and any other CGT events <sup>12</sup>                       | <input type="checkbox"/> |

## Description of CGT asset or CGT event

Date of acquisition

Date of CGT event

|   | 1                          | 2  | 3                 | 4  | 5                         | 6                               | 7                         |
|---|----------------------------|--|-------------------|--|---------------------------|---------------------------------|---------------------------|
| <b>ELEMENTS OF THE COST BASE OR REDUCED COST BASE</b>                                   | Amount                     | Amounts to be deducted for cost base <sup>16</sup> | Cost base (1 – 2) | Amounts to be deducted for reduced cost base <sup>16</sup> | Reduced cost base (1 – 4) | Indexation factor <sup>17</sup> | Cost base indexed (3 × 6) |
| Acquisition or purchase cost of the CGT asset <sup>13</sup>                             |                            |  |                   |  |                           |                                 |                           |
| Incidental costs to acquire the CGT asset   |                            |  |                   |  |                           |                                 |                           |
| Incidental costs that relate to the CGT event <sup>14</sup>                             |                            |  |                   |  |                           |                                 |                           |
| Costs of owning the CGT asset <sup>15</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>Reduced cost base<sup>16</sup></b>                      |                           | \$                              |                           |
|   |                            |  |                   |  | <b>Cost base indexed</b>  |                                 | \$                        |

## CAPITAL GAIN CALCULATION

| Indexation method              |                                | Discount method                |                                | 'Other' method (CGT asset held less than 12 months) |                                |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---|--------------------------------|
| Capital proceeds <sup>18</sup> | \$ <input type="text"/>        | Capital proceeds <sup>18</sup> | \$ <input type="text"/>        | Capital proceeds <sup>18</sup>                      | \$ <input type="text"/>        |
| less: cost base indexed        | \$ <input type="text"/>        | less: cost base unindexed      | \$ <input type="text"/>        | less: cost base unindexed                           | \$ <input type="text"/>        |
| <b>Capital gain (a)</b>        | <b>\$ <input type="text"/></b> | <b>Capital gain (b)*</b>       | <b>\$ <input type="text"/></b> | <b>Capital gain</b>                                 | <b>\$ <input type="text"/></b> |

## CAPITAL LOSS CALCULATION

| Capital loss                         |                                |
|--------------------------------------|--------------------------------|
| Reduced cost base                    | \$ <input type="text"/>        |
| less: capital proceeds <sup>18</sup> | \$ <input type="text"/>        |
| <b>Capital loss<sup>19</sup></b>     | <b>\$ <input type="text"/></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).

Group all of your worksheets according to the CGT asset or CGT event selected and transfer the capital gain and capital loss to **part 1** of the *CGT summary worksheet* (if required).

## 1 CGT event

You make a capital gain or capital loss if certain events or transactions (called CGT events) happen. Most commonly, CGT events happen to a CGT asset (for example, the disposal of a CGT asset) but some CGT events can happen without involving a CGT asset. For more information about CGT events, see the *Guide to capital gains tax 2021*.

## 2 Indexation method\*

For CGT assets acquired before 11.45am AEST on 21 September 1999, the indexation of the cost base of an asset is frozen at 30 September 1999. Individuals, trusts and superannuation entities can choose to use either the cost base indexed, frozen at 30 September 1999, or the CGT discount.

## 3 Discount method\*

If a CGT event happened to a CGT asset after 11.45am AEST on 21 September 1999 and you acquired the asset at least 12 months before the CGT event, you may be entitled to discount the capital gain after applying capital losses. The discount percentage for an individual or trust is 50% and for a complying superannuation entity it is 33⅓%. Eligible individuals are also entitled to an additional capital gains discount of up to 10% for an ownership interest in a dwelling that was residential premises situated in Australia, was used to provide affordable housing for a period, or intermittent periods, totalling at least three years after 1 January 2018, and was disposed of on or after 30 December 2020. Companies are not eligible for the CGT discount (other than those life insurance companies and friendly societies which carry on life insurance business that are entitled to the CGT discount in respect of their complying superannuation business). You apply 2020–21 capital losses and then unapplied net capital losses from earlier years against 2020–21 capital gains before applying the CGT discount. If any capital gains qualify for the CGT small business concessions, you then apply those concessions to each capital gain.

## 4 Shares in companies listed on an Australian securities exchange

Any shares in companies that are listed on an Australian securities exchange. It does not include shares in privately owned companies whereby those shares are not publicly traded. Shares in a privately owned company should be included in 'Other Shares'.

## 5 Other shares

Any shares that are not listed on an Australian securities exchange, such as:

- privately held shares or
- shares listed on a foreign securities exchange and not on an Australian securities exchange. For example, shares listed on the New York Stock Exchange.

## 6 Units in unit trusts listed on an Australian securities exchange

Any units in a unit trusts listed on an Australian securities exchange. For example, units that are listed on the Australian securities exchange. It does not include units in a private trust, whereby the trust is created for the benefit of one or more ascertainable beneficiaries, and not for the promotion of the welfare of the general public or for the advancement of a cause. Units in a private trust should be included in Other units.

## 7 Other units

Any units in a unit trust that are not listed on an Australian securities exchange, such as

- privately held units or
- units listed on a foreign securities exchange and not on an Australian securities exchange. For example, units listed on the New York Stock Exchange.

## 8 Real estate situated in Australia

Any real property including land and buildings that are situated in Australia.

## 9 Other real estate

Any real property including land and buildings that are situated outside Australia.

## 10 Amount of capital gains from a trust (including a managed fund)

Distributions from trusts can include different amounts but only the following types of amounts are relevant for CGT purposes:

- distributions of all or a part of the trust's income where the trust's net income for tax purposes includes a net capital gain,
- distributions or other entitlements described as being referable to a specific capital gain or gains
- distributions of non-assessable amounts.

For more information on trusts, see Trust distributions.

## 11 Collectables

If you acquired a collectable (for example, jewellery or an antique) for \$500 or less, you disregard any capital gain or capital loss. You can only use capital losses from collectables to offset capital gains from collectables. This is done in part 2A and 2C of the worksheet.

## 12 Other CGT assets and any other CGT events

This covers any capital gain or capital loss that you have made that does not fit into any of the categories listed in item 1 of the CGT schedule: for example, disposal of your forestry interests in a forestry managed investment scheme.

There are special rules that apply when working out a capital gain or capital loss for a depreciating asset. A capital gain or capital loss will only arise to the extent that you use a depreciating asset for a non-taxable purpose (for example, used privately). You calculate the gain or loss having regard to concepts used in the uniform capital allowance provisions. Those provisions also treat as income or allow as a deduction any gain or loss from a depreciating asset to the extent that you use it for a taxable purpose.

## 13 Acquisition or purchase cost

This is money you paid or property you gave, or are required to pay or give, to acquire a CGT asset. Modifications and special rules may apply to this element of the cost base, for example, the market value substitution rule. If the market value substitution rule applies, the market value of any property you gave, or are required to give, is worked out at the time of acquisition.

## 14 Incidental costs that relate to a CGT event

This includes the incidental costs of disposal of a CGT asset or, if there is no disposal of a CGT asset, those incidental costs that relate to the CGT event.

## 15 Costs of owning the asset

'Costs of owning the asset' include interest on borrowed money, rates and land tax, and the costs of repairing or maintaining the CGT asset. You include those costs in the cost base for CGT assets you acquired after 20 August 1991. These costs cannot be indexed nor used to work out a capital loss. You do not include non-capital costs of owning the asset in the cost base of collectables or personal use assets.

## 16 Cost base and reduced cost base

For the cost base, exclude all expenditure recouped or that has been deducted or can be deducted on assets acquired after 7.30pm AEST on 13 May 1997. For assets acquired before that time, or in respect of incidental costs and costs of owning, exclude all expenditure recouped that have been claimed or can be claimed as a tax deduction. In some cases, cost base reductions are made before indexing (for example, recouped expenditure) and in others, after indexing (for example, capital works deductions). For the reduced cost base, exclude any expenditure that

has been recouped, deducted, can be deducted or is a cost of owning. Indexation does not apply to the reduced cost base.

## 17 Indexation factor

Indexation is not relevant to:

- expenditure incurred after 11.45am AEST on 21 September 1999 relating to a CGT asset acquired before that time, or
- expenditure relating to a CGT asset acquired after that time.

The cost base includes indexation, frozen at 30 September 1999, only if you acquired the CGT asset at or before 11.45am AEST on 21 September 1999. There are some exceptions, for example, rollovers and assets inherited from a deceased estate. Indexation is not available for costs of owning the asset and it is not relevant to the reduced cost base. The indexation factor is an amount equal to the consumer price index (CPI) for the quarter of the year in which the CGT event happened to the asset, divided by the CPI for the quarter of the year in which you incurred the expenditure included in any of the cost base elements (except the third element: costs of owning). The indexation factor is taken to three decimal places, rounding up if the fourth decimal place is 5 or more. A list of CPI is at appendix 2.

## 18 Capital proceeds

This is money and the market value of any property that you have received (or are entitled to receive), in respect of the CGT event happening. Modifications and special rules may apply to change the capital proceeds for certain CGT events. If the capital proceeds are greater than the cost base, you make a capital gain. If the capital proceeds are less than the reduced cost base, you make a capital loss. If the capital proceeds are between the cost base or, if applicable, the indexed cost base and the reduced cost base, you make neither a capital gain nor a capital loss.

## 19 Capital losses

You can use capital losses from collectables only to offset capital gains from collectables. You disregard capital losses from personal use assets. You cannot deduct net capital losses from your assessable income. If you became a bankrupt during the income year, you disregard unapplied net capital losses from earlier income years.

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For CGT assets acquired before 11.45am AEST on 21 September 1999, you have the option of choosing the CGT discount or calculating the capital gain using indexation frozen at 30 September 1999. Calculate your capital gain under each option to determine the best result in your particular circumstances.