# *TD 94/D111 - 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 been finalised by TD 95/12.

Australian Taxation Office

**Taxation Determination TD 94/D111**



**Draft Taxation Determinations (TDs) represent the preliminary, though considered, views of the ATO. Draft TDs may not be relied on; only final TDs are authoritative statements of the ATO.**

# Draft 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*. If the relevant shares were acquired after 19 September 1985, section 160ZL applies to the distribution, it being a payment in respect of the shares, to the extent that it is not deemed to be a dividend by subsection 47(1), or is a section 160ZLA rebatable dividend adjustment (subsection 160ZL(5)).

2. A final liquidation distribution is 'consideration in respect of the disposal' of shares for the purposes of subsection 160ZD(1).

3. When a final distribution is made, we expect that the liquidator would describe the distribution as such so that shareholders would be aware that it is a final distribution.

**Commissioner of Taxation**
8/12/94

FOI INDEX DETAIL: Reference No.

Related Determinations: TD 94/D109; TD 94/D110

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