



TD 2005/20 - Income tax: capital gains: what is the improvement threshold for the 2005-06 income year under section 108-85 of the Income Tax Assessment Act 1997?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *25 May 2005*



Taxation Determination

Income tax: capital gains: what is the improvement threshold for the 2005-06 income year under section 108-85 of the *Income Tax Assessment Act 1997*?

Preamble

*The number, subject heading, date of effect and paragraph 1 of this document are a 'public ruling' for the purposes of Part IVAAA of the **Taxation Administration Act 1953** and are legally binding on the Commissioner.*

1. For the 2005-06 income year, the improvement threshold is \$109,447.
2. The improvement threshold is determined for the purposes of section 108-70 (about when a capital improvement to a pre-CGT asset is a separate asset) and section 108-75 (about capital improvements to CGT assets for which a roll-over may be available).
3. The improvement threshold is required by subsection 108-85(2) to be indexed annually in accordance with Subdivision 960-M.
4. This Determination is published, as subsection 108-85(3) requires, before the 2005-06 financial year begins.

Date of effect

5. This Determination applies for the 2005-06 income year.

Commissioner of Taxation
25 May 2005

TD 2005/20

Previous draft:

Not previously issued as a draft

- improvement threshold
- indexation
- threshold

Previous Rulings/Determinations:

TD 94/56; TD 95/23; TD 96/30; TD 97/12;
TD 98/13; TD 1999/29; TD 2000/25;
TD 2001/12; TD 2002/12; TD 2003/13;
TD 2004/15

Legislative references:

- TAA 1953 Pt IVAAA
- ITAA 1997 108-70
- ITAA 1997 108-75
- ITAA 1997 108-85
- ITAA 1997 108-85(2)
- ITAA 1997 108-85(3)
- ITAA 1997 Subdiv 960-M

Subject references:

- asset improvement
 - capital gains
 - improvement
-

ATO references

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ATOlaw topic: Income Tax ~~ Capital Gains Tax ~~ cost base and reduced cost base