


TD 8 - Capital Gains: How does CGT apply to the amalgamation of two adjoining titles?

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CGT Cell Determinations do not have the force of law, but can be relied upon as being the considered view of the ATO. Unless otherwise stated, the view expressed may be applied to transactions entered into both before and after the date of issue of the Determination.

CGT Determination Number 8

Capital Gains: How does CGT apply to the amalgamation of two adjoining titles?

Determination

1. Where a person owns the title to two adjoining properties, the amalgamation of the two titles does not involve any change in ownership of the land.
2. There is no disposal of the land for CGT purposes.

Example:

- (i) If both properties were acquired pre-CGT, an amalgamation of titles after 19 September 1985 has no CGT consequences at that time.
- (ii) If one property was acquired pre-CGT and the other after 19 September 1985, there are no CGT consequences on the amalgamation but the land acquired after 19 September 1985 remains subject to the CGT provisions and the pre-CGT land remains exempt.

COMMISSIONER OF TAXATION

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