# *TD 93/D265 - Income tax: capital gains: where subsection 160ZZT of the Income Tax Assessment Act 1936 applies to deem that a capital gain has accrued in regard to the disposal of a share in a private company or an interest in a private trust estate, can subsection 160ZD(2) operate to deem that the consideration received in respect of the disposal is an amount equivalent to market value?*

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This document has been finalised by TD 93/239.

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# Draft Taxation Determination

## Income tax: capital gains: where subsection 160ZZT of the *Income Tax Assessment Act 1936* applies to deem that a capital gain has accrued in regard to the disposal of a share in a private company or an interest in a private trust estate, can subsection 160ZD(2) operate to deem that the consideration received in respect of the disposal is an amount equivalent to market value?

1. Yes. Subsection 160ZD(2) can apply to deem that the appropriate consideration to be apportioned in terms of section 160ZZT is an amount equivalent to the market value of the share or interest at the date of disposal.

2. Section 160ZZT will apply where there is a disposal, under the general provisions of Part IIIA, of shares in a private company or an interest in a private trust estate and the 'net worth' test in paragraph 160ZZT(1)(d) is satisfied. The consideration in respect of the disposal must then be apportioned to determine the amount by which the value of the share or interest has increased because of post-CGT acquisitions by the company or trust estate.

**Commissioner of Taxation**
14/10/93

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