



TD 2007/19 - Income tax: capital gains: what is the improvement threshold for the 2007-08 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 *23 May 2007*



Taxation Determination

Income tax: capital gains: what is the improvement threshold for the 2007-08 income year under section 108-85 of the *Income Tax Assessment Act 1997*?

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This publication (excluding appendixes) is a public ruling for the purposes of the *Taxation Administration Act 1953*. A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes. If you rely on this ruling, we must apply the law to you in the way set out in the ruling (unless we are satisfied that the ruling is incorrect and disadvantages you, in which case we may apply the law in a way that is more favourable for you – provided we are not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

Ruling

1. For the 2007-08 income year, the improvement threshold is \$116,337.

Date of effect

2. This Determination applies for the 2007-08 income year.

Commissioner of Taxation
23 May 2007

Appendix 1 – Explanation

❶ *This Appendix is provided as information to help you understand how the Commissioner's view has been reached. It does not form part of the binding public ruling.*

Explanation

3. For the 2007-08 income year, the improvement threshold is \$116,337.
4. The improvement threshold is determined for the purposes of section 108-70 of the *Income Tax Assessment Act 1997* (ITAA 1997) (about when a capital improvement to a pre-CGT asset is a separate asset) and section 108-75 of the ITAA 1997 (about capital improvements to CGT assets for which a rollover may be available).
5. Subsection 108-85(2) of the ITAA 1997 provides that the improvement threshold must be indexed annually in accordance with Subdivision 960-M of the ITAA 1997.
6. This Determination is published before the 2007-08 financial year begins, as required by subsection 108-85(3) of the ITAA 1997.

References

Previous draft:

Not previously issued as a draft

- indexation
- separate CGT asset
- 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; TD 2005/20; TD 2006/41

Legislative references:

- 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
- TAA 1953

Subject references:

- capital gains
 - capital improvement
 - improvement
 - improvement threshold
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ATO references

NO: 2004/6081

ISSN: 1038-8982

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