Investments Sold

Please complete and send in with your 2023 Individual Tax Return checklist

CLIENT NAME:		CLIENT SIGNATURE:	X

SHARE INVESTMENTS SOLD / DISPOSED – 1 July 2022 to 30 June 2023

Company/Trust Name	Date Sold	Number Sold	Amount Received	Date Purchased	Number Purchased	Amount Paid
			$			$
			$			$
			$			$
			$			$
			$			$
			$			$
			$			$

REAL PROPERTY SOLD / DISPOSED – 1 July 2022 to 30 June 2023

To correctly calculate any capital gain we will need the following information:

- Costs – date of purchase, price paid, copy of ***signed and dated*** contract, copy of settlement statement, details of additional expenses incurred in purchasing the assets, and details of additions (dates and amounts);
- Holding costs for vacant land or a holiday home where purchased after 20 August 1991. Holding costs include rates, interest, insurance and land tax;
- Selling – date of sale, selling price, copy of contract, copy of settlement statement, details of additional selling costs incurred; and
- In the case of a rental property – the period the property was used as a principal place of residence (if applicable) and the period rented.

Please note that for capital gains purposes purchase and sale dates in relation to investments are <u>contract dates</u> not settlement dates.

TRUST DISTRIBUTED CAPITAL GAINS – 1 July 2022 to 30 June 2023

To correctly calculate any capital gain we will need the following information:

- Managed Fund Distributions – annual tax summary issued by the fund, along with the explanatory booklet.

Records must be kept for 5 years from the end of the financial year of the sale (or 5 years after a capital loss is claimed).

Capital gains tax (CGT) is the tax you pay on any capital gain you make and include in your annual income tax return. There is no separate tax on capital gains; it is merely a component of your income tax. You are taxed on your net capital gain at your marginal tax rate.

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A capital gain or loss generally arises when an asset is sold. All assets you've acquired since tax on capital gains came into effect (on 20 September 1985) are subject to CGT unless specifically excluded. You can also make a capital gain if a managed fund or other trust distributes a capital gain to you.

There is a wide range of CGT events. The most common CGT event happens if you dispose of an asset – for example, if you sell or give away an asset. Some other CGT events from which you may make a capital gain or capital loss include (but are not limited to) when:

- an asset you own is sold, lost or destroyed (the destruction may be voluntary or involuntary);
- shares you own are cancelled, surrendered, redeemed or transferred;
- a liquidator declares that the shares you own are worthless; or
- you stop being an Australian resident for tax purposes.

Exemptions and Rollovers

Generally, capital gains and capital losses from pre-CGT assets (that is, assets you acquired before 20 September 1985) are exempt. There are exemptions or rollovers that may allow you to reduce, defer or disregard your capital gain or capital loss.

A capital gain or capital loss you make from any of the following is disregarded:

- a car or motor cycle or similar vehicle;
- your principal place of residence (if it has never been a rental property under your ownership);
- collectables acquired for $500 or less;
- a capital gain from a personal use asset acquired for $10,000 or less; and
- any capital loss from a personal use asset.

A Rollover allows a capital gain or loss to be deferred or disregarded until a later CGT event happens. The types of rollovers available include:

- marriage breakdown;
- loss, destruction or compulsory acquisition of an asset; and
- script for script (which relates to shares in a company taken over).

Please note, that various conditions must be satisfied for almost all exemptions and rollovers.

Calculating your capital gain or loss

For most CGT events, your capital gain is the difference between your capital proceeds and the cost base of your CGT asset – for example, if you received more for an asset than you paid for it. You make a capital loss if your reduced cost base is greater than your capital proceeds.

If your total capital losses for the year are more than your total capital gains, the difference is your net capital loss for the year. It can be carried forward to later income years to be deducted from future capital gains. You cannot deduct capital losses or a net capital loss from your other income. There is no time limit on how long you can carry forward a net capital loss. You apply your net capital losses in the order that you make them.

The capital gain is calculated by deducting the cost base from the sale proceeds. The sale proceeds are first reduced by costs involved in selling the asset (e.g. brokerage on sale of shares, or legal costs and agent's commission on sale of a rental property). The purchase costs are increased by costs incurred in buying the property (eg. stamp duty and legal costs in purchasing a rental property). Additions and improvements made to an asset form part of the cost base and reduce the gain (e.g. new carport added to a rental property).

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There is only one way to calculate a capital loss. However, there are 3 methods that are used to calculate a capital gain: the '*Indexation*' method; the '*Discount*' method and the '*Other*' method.

If the asset is held for more than 12 months then the gain may be further reduced by indexing or 50% general exemption. The date of purchase and sale are, generally, the date the contracts were entered into, not the settlement date.

The following checklist is not an exhaustive list but may help you identify possible capital gains tax obligations. A "yes" response to any of these questions indicates that capital gains may apply:

CAPITAL GAINS CHECKLIST – 1 July 2022 to 30 June 2023
REAL ESTATE Have you sold or given away any real estate in the financial year (including your main residence)? Has there been a change to the title of real estate that you owned or partially owned at the start of the financial year? Have you granted an option, conservation covenant or other right (e.g. easement) in the financial year?
REAL ESTATE – FUTURE YEAR CGT IMPLICATIONS Do you own real estate (including inheritance) that is not your main residence? Have you subdivided or amalgamated any real estate that you own? Do you own real estate that is your main residence and it is used as a place of business or to derive rent or has not been your main residence the whole time you owned it? Do you own real estate that is your main residence and it is situated on more than 2 hectares (4.94 acres) of land?
SHARES AND INVESTMENT UNITS Do you own any shares, units in a unit trust? If so, did your interests change during the year (because they were sold, transferred, cancelled or ended)? Did your interest in an employee share scheme change? Did you receive compensation in the financial year in respect of any investments you own? Did you receive a distribution from a trust that includes a capital gain?
TRUST DISTRIBUTIONS If you are a beneficiary of a trust, have you received a distribution during the financial year that includes a capital gain?
MARRIAGE BREAKDOWN Have you acquired an asset, or an interest in an asset, from your former spouse after the breakdown of your marriage? Was the asset transferred because of a court order, binding financial agreement or arbitral award?
DECEASED ESTATES Have you received a distribution or assets from a deceased estate?
OTHER EVENTS Have you sold a collectable acquired from more than $500? A collectable includes art, antiques, valuable metals, jewellery, coins, medallions, rare books, stamps etc. Have you sold a personal use asset acquired for more than $10,000? A personal use asset includes boats, furniture, electrical goods etc. Have you received or become entitled to a capital payment (including compensation, restrictive covenants, contingent payments, or other consideration for an act, transaction or event)?