ctc tas

CTC Taxation & Accounting Services Pty Ltd

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CAPITAL GAIN or CAPITAL LOSS WORKSHEET

Real estate ✓

Taxpayer's Name

		Amount
Acquisition date (**contract** date)		
Date of CGT event (**contract** date)		

Elements of the cost base	Date(s)	Amount $
1. Acquisition or purchase cost of the CGT asset		
Purchase Price - per settlement letter from lawyer		
2.a. Incidental costs to acquire the CGT asset		
stamp duty on purchase - per settlement letter from lawyer		
legal fees on purchase - per settlement letter from lawyer		
2.b. Incidental costs that relate to the CGT event		
selling agents' fees		
legal fees on sale - per settlement letter from lawyer		
3. Non-capital costs associated with the CGT asset		
4. Capital expenditure to increase the asset's value		
5. Capital costs to establish, preserve or defend the title of the CGT asset		
	Cost base UN-indexed	0

	Capital Gain Calculation	
Capital Proceeds		0
less Cost base	0	0
RAW Capital Gain or (Loss)	0	0
computations for Taxable Capital Gain	0	

F:\CTCTASwork\CTC_TAS\Proformas\forWeb\Worksheets\[2014CTCTAS_CGWorksht.xls]CG proforma Version: 23 June 2014

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Records Relating To The Sale Of Real Estate, And The Calculation Of The Cost Base For Capital Gains Purposes

When a property (other than your main residence) is sold and the property was purchased after 20th September 1985, then Capital Gains Tax will most likely apply to the proceeds of the sale.

It is therefore most important to correctly record the Cost Base of the property, and to reduce the amount of Capital Gains Tax payable https://www.ato.gov.au/Individuals/Tax-return/2014/In-detail/Publications/Guide-to-capital-gains-tax-2013-14/?page=72#Real_estate_and_main_residence – CGT on real estate

Outlined below are the relevant expenses that can be included in the cost of the property, and therefore all documentation relating to these costs should be retained and readily accessible for completion of your tax return, when a taxable Capital Gains event take place.

These records must be kept whether a capital gain or a capital loss has taken place, and must be retained for at least 5 years after the lodgement of the tax return containing the declared Capital Gain or Capital Loss.

PLEASE REMEMBER: THOSE WITH GOOD RECORDS WIN! It will be handy to use the following headers as titles for the dividers in the lever-arch folder containing your capital gains/property records, thereby sorting and classifying the paperwork as it accumulates. https://www.ato.gov.au/Individuals/Tax-return/2014/In-detail/Publications/Guide-to-capital-gains-tax-2013-14/?page=28#Keeping_records - general guide to record keeping for capital gains

Purchase (or acquisition) of the property

- Copy of the purchase contract

Incidental costs of acquiring or disposing of the property

- Receipts for incidental costs relating to the purchase of the property i.e. Stamp Duty, legal fees, title searches, survey and valuation fees.
- All records and receipts relating to the sale of the property, i.e. sale documents, legal fees, costs of transfer, stamp duty (or similar duty), real estate agent fees and commission.
- Non-deductible borrowing expenses, (that is – borrowing expenses that have not been claimed as deductions against a rental property – such as, bank loan establishment fee, legal fees which are capital in nature; and non-business portions of rates, land tax, insurances, rates, etc.).
- Marketing expenses (such as the hire of furniture, ornaments, etc to sell an investment property).

Costs associated with owning the property

For properties that did not produce any income, the costs of owning the property can be used to form part of the cost base, for example a vacant block of land, or a holiday home. These additional costs include:

- Interest on money borrowed to acquire the asset
- Costs of maintaining, repairing or insuring the asset.
- Travel & Accommodation costs incurred in carrying out initial repairs.
- Rates or land tax (for period of ownership).
- Interest on money borrowed to refinance the asset.
- Interest on money borrowed for capital expenditure incurred to increase the value of the asset.

Improvement expenses (capital expenditure)

Includes capital expenditure where the purpose or expected effect of the expenditure is to maintain or increase the value of the property – for example erecting a carport, decking, new or additional fencing, etc.

Capital expenditure to establish, preserve or defend title.

Example of such expenditure is legal costs incurred by the executor of an estate to defend a claim for control of the estate.

Note 1: WHEN CALCULATING THE COST BASE, ANY EXPENSES THAT HAVE BEEN USED TO REDUCE RENTAL INCOME IN THE CURRENT OR PRECEDING YEARS CAN NOT BE INCLUDED IN THE COST BASE FOR CAPITAL GAINS PURPOSES.

Note 2: If there has been any deduction against the property for special building cost write off, AND THE PROPERTY WAS PURCHASED AFTER 7.30PM ON 13 MAY 1997, then the total amount written off, it must be subtracted from the cost base.

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