CAPITAL GAIN or CAPITAL LOSS WORKSHEET

CGT asset type or CGT event

Shares and units	
Real estate	✓
Other CGT assets and other CGT events	
Collectables	

Taxpayer's Name	1
Acquisition date (contract date) ______	Amount
Date of CGT event (contract date) ______	

Elements of the cost base	Date(s)	Amount $
1. Acquisition or purchase cost of the CGT asset		
2.a. Incidental costs to acquire the CGT asset		
2.b. Incidental costs that relate to the CGT event		
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		
less Cost base	0	
RAW Capital Gain or (Loss)	0	

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 minimise the amount of Capital Gains Tax payable. PLEASE REMEMBER: **THOSE WITH GOOD RECORDS WIN**! We suggest it is useful 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.

Below are the categories of expenditure that are included in the "cost base" of the property, and therefore all documentation relating to these expenditures should be retained and readily accessible as supporting documentation to your tax return when the taxable Capital Gains event occurs.

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 Capital Gain / Loss.

1. Purchase (or acquisition) of the property

- Copy of the purchase contract

2. 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, etc.
- 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, etc.
- 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, etc).

3. Costs (non-capital) 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 could include:

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

4. Improvement expenses (capital expenditure)

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

5. Capital expenditure to establish, preserve or defend title.

For example - legal costs incurred by the executor of an estate to defend a claim for control of the estate.

Note: 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.

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.