Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: **BET 108**

Topic: **Capital Gains Tax – Sale of Financial Assets**

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Senator CORMANN asked:

Senator CORMANN: More generally, in terms of thinking about the sensitivities around the capital gains tax forecast—and I am not asking for a specific scientific figure, just a rough ballpark one—are you able to give us an indication of what proportion of capital gains tax in a typical year arises from the sale of financial assets like shares versus other assets like property?

Mr Heferen: I think we would have to take that one on notice.

Answer:

- Taxpayers are assessed on net capital gain income. Net capital gains are calculated as current year capital gains less current year and prior year losses, reduced by the capital gains tax discount. Asset class splits are not available for capital gains tax or net capital gains. However, it is available for current year capital gains.

- Taxation Statistics 2009-10, the most recent taxation statistics available, reports that around 60 per cent of total current year capital gains in 2009-10 came from the sale of shares. The other two major asset classes, namely real estate and other assets, accounted for around 26 per cent and 14 per cent of total current year capital gains respectively.