

CGT Improvement Thresholds

Certain improvements to pre-CGT assets will be deemed to be separate post-CGT assets where the cost base of the improvement exceeds both the improvement threshold for the year and 5% of the consideration for the sale of the asset.

Income Year	Improvement Threshold \$
2014/15	140,443
2013/14	136,884

CGT Indexation Factors

Indexation (based on movements in the Consumer Price Index or CPI) is only relevant in working out the cost base of an asset acquired on or before 11.45am 21 September 1999. Changes to the tax law mean that indexation is frozen to the September 1999 quarter.

However, the CPI rates are reported in the table below because they are relevant to some provisions in tax and superannuation law including, among other things, calculating the taxable value of a fringe benefit relating to the repurchase of remote area residential property.¹

Year	Quarter Ending 31 March	Quarter Ending 30 June	Quarter Ending 30 September	Quarter Ending 31 December
2015	106.8	Not available	Not available	Not available
2014	105.4	105.9	106.4	106.6
2013	102.4	102.8	104.0	104.8
2012	99.9	100.4	101.8	102.0
2011	98.3	99.2	99.8	99.8
2010	95.2	95.8	96.5	96.9
2009	92.5	92.9	93.8	94.3
2008	90.3	91.6	92.7	92.4
2007	86.6	87.7	88.3	89.1
2006	84.5	85.9	86.7	86.6
2005	82.1	82.6	83.4	83.8
2004	80.2	80.6	80.9	81.5
2003	78.6	78.6	79.1	79.5
2002	76.1	76.6	77.1	77.6
2001	73.9	74.5	74.7	75.4
2000	69.7	70.2	72.9	73.1
1999	67.8	68.1	68.7	69.1
1998	67.0	67.4	67.5	67.8
1997	67.1	66.9	66.6	66.8
1996	66.2	66.7	66.9	67.0

Year	Quarter Ending 31 March	Quarter Ending 30 June	Quarter Ending 30 September	Quarter Ending 31 December
1995	63.8	64.7	65.5	66.0
1994	61.5	61.9	62.3	62.8
1993	60.6	60.8	61.1	61.2
1992	59.9	59.7	59.8	60.1
1991	58.9	59.0	59.3	59.9
1990	56.2	57.1	57.5	59.0
1989	51.7	53.0	54.2	55.2
1988	48.4	49.3	50.2	51.2
1987	45.3	46.0	46.8	47.6
1986	41.4	42.1	43.2	44.4
1985	37.9	38.8	39.7	40.5

1 Note that the Australian Bureau of Statistics changed the index reference base in September 2012 from 1989/90 to 2011/12. As a result all CPI rates have been reset and the previous rates no longer apply. The rates reported in the above table are the reset rates.

Valuation of Natural Increase – Prescribed Cost Rates – 2014/15

Description	Rate per Head \$	Description	Rate per Head \$
Cattle	20.00	Horses ¹	20.00
Deer	20.00	Pigs	12.00
Emus	8.00	Poultry	0.35
Goats	4.00	Sheep	4.00

1 Where a service fee is incurred for insemination and a horse is acquired as a result, its cost is the greater of the cost (i.e., actual or as prescribed by the regulations) and the amount of the service fee attributable to the acquisition.

Goods Taken from Stock for Private Use

Type of Business	2014/15	
	Adult/Child ² Over 16 years \$	Child ² 4-16 years \$
Bakery	1,330	665
Butcher	790	395
Restaurant/cafe (licensed)	4,490	1,730
Restaurant/cafe (unlicensed)	3,460	1,730
Caterer	3,740	1,870
Delicatessen	3,460	1,730
Fruiterer/greengrocer	780	390
Take-away food shop	3,350	1,675
Mixed business (e.g., milk bar, convenience store)	4,170	2,085

1 These amounts are taken from TD 2015/9 which is the current determination and which applies for the 2014/15 income year.

2 Amounts are GST-exclusive.

Income-producing Building Write-off Rates

Use of Building	Capital Works Commenced	Write-off Rate %
Non-residential buildings		
Industrial	27/2/1992+ ¹	4
Non-industrial buildings	20/7/1982 – 21/8/1984	2.5
	22/8/1984 – 15/9/1987	4.0
	16/9/1987+	2.5
Research & Development buildings	21/11/1987+	2.5
Residential buildings		
Short-term traveller accommodation	22/8/1979 – 21/8/1984	2.5
	22/8/1984 – 15/9/1987	4.0
	16/9/1987 – 26/2/1992	2.5
	27/2/1992+	4.0
Residential income-producing buildings	18/7/1985 – 15/9/1987	4.0
	16/9/1987+	2.5
Structural improvements	27/2/1992+	2.5
Environment protection earthworks	19/8/1992+	2.5

1 For an industrial building constructed before 27 February 1992, the rates for non-industrial non-residential buildings are applied.

Prime Cost and Diminishing Value Rates (150% and 200%)

For most items of plant and equipment acquired* on or after 10 May 2006, the diminishing value method (DVM) rate was increased from 150% to 200%. This means that the DVM depreciation rate is twice the prime cost (PC) rate of depreciation for such assets.

Note(): For these purposes, a taxpayer acquires an asset when they commence to hold it (e.g., on settlement of a contract). Therefore, a taxpayer may acquire an asset on or after 10 May 2006 under a contract entered into before 10 May 2006, and still use the 200% DVM rate.*

The 200% DVM depreciation rates apply to new and second-hand assets, including those with statutory caps (e.g., trucks). The rates also apply to both business assets and investment assets (e.g., assets used in a rental property).

However, the 200% DVM depreciation rates do not apply to taxpayers using the SBE rules and assets classes for which there are special arrangements (e.g., new horticultural plants).

For the purposes of the 200% DVM depreciation rates, specific assets are also excluded. The types of assets excluded from the 200% DVM depreciation rates are:

- ◆ In-house software
- ◆ Intellectual property assets (except copyrights in a film)
- ◆ Spectrum licences
- ◆ Datacasting transmitter licences
- ◆ Telecommunications site access rights

The following table sets out the effective PC and DVM rates of depreciation that apply to an asset based on its effective life.

For example, a taxpayer may choose to use the Commissioner's effective life of 10 years for a particular asset. In that case, the PC rate of depreciation would be 10% (i.e., 100% divided by 10 (years)).

The equivalent DVM rate of depreciation would be either 15% (at 150% DVM rates) or 20% (at 200% DVM rates) depending on whether the depreciating asset was acquired before 10 May 2006 or on or after 10 May 2006.

Effective Life (years)	Prime cost rate %	Diminishing value rate (150%) %	Diminishing value rate (200%) %
0.5	*	*	*
1	100	*	*
1.5	66.67	100	*
2	50	75	100
3	33.33	50	66.67
3.33	30	45	60
3.5	28.57	42.86	57.14
4	25	37.5	50
4.5	22.22	33.33	44.44
5	20	30	40
5.5	18.18	27.27	36.36
6	16.67	25	33.33
6.67	15	22.5	30
7	14.29	21.43	28.57
7.5	13.33	20	26.67

Effective Life (years)	Prime cost rate %	Diminishing value rate (150%) %	Diminishing value rate (200%) %
8	12.5	18.75	25
8.33	12	18	24
9	11.11	16.67	22.22
10	10	15	20
11	9.09	13.64	18.18
12	8.33	12.5	16.67
12.5	8	12	16
13	7.69	11.54	15.38
13.33	7.5	11.25	15
15	6.67	10	13.33
16	6.25	9.375	12.5
16.67	6	9	12
17	5.88	8.82	11.76
17.5	5.71	8.57	11.43
18	5.56	8.33	11.11
20	5	7.5	10
23	4.35	6.52	8.70
25	4	6	8
30	3.33	5	6.67
33	3.03	4.55	6.06
33.33	3	4.5	6
35	2.86	4.29	5.71
40	2.5	3.75	5
45	2.22	3.33	4.44
47.5	2.11	3.16	4.21
50	2	3	4
80	1.25	1.88	2.5
100	1	1.5	2

Note: Where assets are acquired during the year, depreciation must be calculated on a per day basis. Therefore a 100% or higher depreciation rate does not equate to an immediate write-off unless the asset is held for (up to) a full year.

* In the first year, the depreciation claim cannot be greater than the original cost and, over the life of the asset, total depreciation claimed cannot exceed the asset's original cost.