



## Question 17 - Tax Return (Supplementary Section)

This section is a basic guide to assist you in making the appropriate disclosures in your Tax Return relating to the inclusion of a discount capital gain in Westfield Trust's distribution to you. Accordingly, this information should not be relied upon as taxation advice. If you require further information relating to your personal tax position, we recommend that you contact your professional tax adviser.

### Background

Your distribution for the income year ending 30 June 2002 includes a discount capital gain. This gain arose from Westfield Trust's disposal of half of its interest in Westfield Liverpool to AMP. As Westfield Trust acquired this interest after 21 September 1999, the "indexation method" does not apply to the capital gain (as there is no capacity to index assets for CGT purposes that are purchased after 21 September 1999). If you require any general information or guidance on the "discount method" (or "indexation method"), you should

consult the following Australian Tax Office publications:

- "Personal Investor's Guide to Capital Gains Tax;" or
  - "Guide to Capital Gains Tax."
- Alternatively, you should consult your professional tax adviser.

### Calculation and Disclosure

In calculating the net capital gain to be included in your tax return, you should refer to the section below that applies to you. The calculations below assume you have no other capital gains from any other sources.

## Australian Resident Unitholders

Australian resident unitholders who are:

- individuals,
- trusts,
- complying superannuation entities, or
- life insurance companies who hold their units as virtual PST assets

If you are a unitholder in any of the adjacent categories you must firstly:

- (1) double the discounted capital gain distributed to you,  on your Tax Statement, then
- (2) deduct from this amount any capital losses available to you and finally,
- (3) re-apply a discount factor as follows:
  - (a) Individuals and trusts (other than a trust that is a complying superannuation entity): 50%

(b) Complying superannuation entities or life insurance companies who hold their units as virtual PST assets: 33 $\frac{1}{3}$ %

Note that the above discount percentages can still be applied to the discount capital gain amount in this distribution, even if you only held your units for less than 12 months during the year ending 30 June 2002.

### Example Calculation

Assume the following:

Australian sourced capital gain- discount method: \$100   
Available Capital Losses: \$ 20

#### Net Capital Gain Calculation:

Gross up  : \$100 x 2 = \$200  
Less: Capital Losses: (\$20)  
Sub- total \$180

#### Apply discount percentage to determine discount:

Individual/ Trust: 50%  
\$180 x 50% = \$90

Superannuation Fund: 33 $\frac{1}{3}$ %  
\$180 x 33 $\frac{1}{3}$ % = \$60

#### Net Capital Gain:

Individual/ Trust:  
Sub-total - Discount  
\$180 - \$90 = \$90

Superannuation Fund:  
Sub-total - Discount  
\$180 - \$60 = \$120

The following template is designed to assist you to calculate your net capital gain:

A. Write  here: \_\_\_\_\_ x 2 = \_\_\_\_\_

B. Less: Carry forward capital losses\* \_\_\_\_\_

C. Sub- total: \_\_\_\_\_  (  less  )

D. Apply discount percentage to determine discount:

Individual/ Trust: 50%

Write  here: \_\_\_\_\_ x 50% = \_\_\_\_\_  (  x 50% )

Superannuation Fund: 33 $\frac{1}{3}$ %

Write  here: \_\_\_\_\_ x 33 $\frac{1}{3}$ % = \_\_\_\_\_  (  x 33 $\frac{1}{3}$ % )

E. Net Capital Gain:

Individual/ Trust:

Write  here: \_\_\_\_\_ less \_\_\_\_\_  = \_\_\_\_\_  (  less  )

Superannuation Fund:

Write  here: \_\_\_\_\_ less \_\_\_\_\_  = \_\_\_\_\_  (  less  )

\* If your capital losses are greater than the figure in , then you will have no net capital gain (assuming you do not have any other capital gains from other sources). If you are an individual, you will need to disclose any remaining capital losses in , Question 17 of your 2002 Tax Return for Individuals (Supplementary Section).



