

# TAX FUNDAMENTALS: CAPITAL GAINS AND THE SMALL BUSINESS CGT (AND OTHER) CONCESSIONS

1. Capital Gains Tax: The Basics
2. Capital Gains Tax and the Main Residence
3. Capital Gains Tax and Relationship Breakdowns
4. Small Business CGT Concessions:  
Generous in Discount but so are the Complexities
5. Putting the Small Business Entity (SBE) Concessions to Good Use

A SERIES OF 5 ON DEMAND WEBINARS

from **TEN THE EDUCATION NETWORK**



Leaders in professional development for accountants

# ABOUT THIS SERIES

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## **What's covered**

Accountants are at the frontline in helping small business owners navigate the complexities of capital gains tax. With a practical understanding of the rules and concessions, accountants can become trusted advisors who are able to structure and implement effective taxation strategies for small businesses.

This five-part webinar series is designed to help junior accountants learn how to effectively navigate the capital gains framework and the available CGT concessions for their clients' advantage.

The course has been crafted by experienced tax professionals who understand the challenges faced by small businesses owners and their advisors.

Dedicated sessions include the basics of capital gains tax, the main residence CGT rules, as well as the CGT implications of relationship breakdowns. It also includes sessions on the small business CGT concessions, as well as the small business entity concessions.

## **Training for as many staff as you want - no additional cost!**

A single purchase entitles your company to access the on demand webinars online as you require them for as many training sessions and for as many staff as you want.

## **On demand webinars and technical materials**

Once you purchase the series you will have access not only to the on demand webinars but also to the detailed technical materials prepared by members of the faculty for this series.

# THE PROGRAMS

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## Program 1: Capital Gains Tax: The Basics

Capital gains tax has evolved into one of the more complicated areas of our tax system. Having a basic understanding of the fundamentals of this area of tax law is imperative before progressing to the more specialised topics that you will encounter in public practice. This session is designed to provide you with the foundations of what you need to know, including:

- What assets are exempt from CGT
- The more common CGT events experienced in practice
- Applying the CGT 50% discount, including how it applies to:
  - foreign residents
  - companies and trusts
- How CGT applies to shares and dividend reinvestments
- Selling an investment property:
  - what are the typical costs to include
  - is a capital works adjustment required?
- The market value substitution rule
- The use of capital losses
- Practical examples of calculating capital gains and losses in varying scenarios

## Program 2: Capital Gains Tax and the Main Residence

As a general rule, your main residence is exempt from capital gains tax. However, there are numerous situations that can occur during the ownership period that can turn the exemption on its head. This session is designed to broaden your understanding of the main residence CGT rules, including:

- What are the factors that support a dwelling being a main residence?
- The CGT effect of:
  - renting out part of your home
  - moving out and renting out all of your home and choosing to continue treating it as your main residence
  - using your home to run a business
- Inheriting a dwelling that was the main residence of the deceased
- The 2 hectare rule
- The interaction of the main residence rule and foreign residents
- What if a change of residence results in you owning two properties at the same time?
- CGT and granny flat arrangements
- Worked examples of CGT calculations where residence also income producing

# THE PROGRAMS

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## **Program 3: Capital Gains Tax and Relationship Breakdowns**

Unfortunately, it is a fact of life that some marriages and relationships will break down, resulting in assets being transferred between the parties. Whilst these transfers may trigger capital gains tax implications, there are rollover provisions that may apply depending on the circumstances. This session is designed to provide you with a basic understanding of the CGT implications of a relationship breakdown, including:

- When the CGT rollover provisions can apply
- What happens if a private or informal arrangement is reached between the parties
- How the market value rules can interact with property transfers resulting from a relationship breakdown
- What are the CGT effects on the transferor and transferee when the CGT rollover is applied?
- The CGT main residence exemption and the requirement to review the history of use of the property by both parties
- What if the asset is required to be transferred from an SMSF to another superannuation fund?
- What is the situation if the asset is transferred from a company or trust to one of the spouses?
- Practical examples

## **Program 4A: Small Business CGT Concessions: Generous in Discount but so are the Complexities (Part 1)**

Some of the more generous concessions available to small business, and maybe the most complicated, are included in the CGT small business concessions. This session is designed to improve your understanding of these rules by providing an overview of the concessions, including:

- What are the basic eligibility requirements?
- What assets are included in the maximum net asset value test?
- What is an active asset?
- Explaining the terms:
  - CGT concession stakeholder
  - Significant individual
  - Affiliate

# THE PROGRAMS

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## **Program 4B: Small Business CGT Concessions: Generous in Discount but so are the Complexities (Part 2)**

Building upon the knowledge gained in session 4A, this session examines the learnings gained in various practical scenarios, with a spotlight on the following:

- What if the asset is a share in a company or an interest in a trust?
- How the concessions apply for partners in a partnership
- Tips and traps when applying the four concessions
- Practical examples

## **Program 5: Putting the Small Business Entity (SBE) Concessions to Good Use**

The CGT small business concessions and the small business restructure rollover cover the CGT concessions for small business entities. However, there are numerous other concessions, that if eligible, can be put to good use by SBEs. This session explores those further available concessions (excluding CGT) and when it may be beneficial to apply them, including:

- What are the tests to be eligible for the SBE concessions?
- What does aggregated turnover include?
- What are the special rules for prepaid expenses?
- What are the simplified depreciation rules for SBEs?
- What are the company tax rate changes?
- How does the small business income tax offset work?
- What are the FBT exemptions for SBEs?
- How do the amendment periods change if you are an SBE?

# THE FACULTY

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## **Dr Nick Gangemi, Director, Tax Services, William Buck, Sydney, NSW**

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Nick's dual role as Chartered Tax Adviser and Legal Practitioner gives him a unique perspective. He has the ability to achieve commercial outcomes for his clients while ensuring all legal ramifications are considered.



Passing the Bar was a turning point for Nick. It was during his seven years as a barrister that he worked and learnt alongside experienced professionals on litigation and dispute work.

Not one to shy away from hard work, Nick went on to pursue a PhD in Tax Law where he learnt that tax is anything but mechanical. Nick's studies have taught him to take a step back and look at complex tax issues in a theoretical manner – seeing beyond the here and now. As a result, Nick's advice is strategic, commercial and designed for longevity.

Nick also has significant experience working on global transactions in Australia and the UK.

Nick's passion for education has provided opportunities to make a difference to those around him. Having benefited from a great mentor in his youth, Nick now enjoys giving back to the profession. He describes mentoring, seeing the next generation of tax advisers coming through, as the part of his role that gives him the most fulfillment.

## **Paula Tallon, Tax Specialist, Signature Tax Specialists, Sydney, NSW**

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Paula has over 25 years experience in the tax profession in the UK and Australia. She was a tax partner in BDO in London before founding Gabelle LLP, an award winning tax consultancy business which she sold in 2017 to a Fortune 500 company.



Paula has a broad range of tax expertise with a particular emphasis on tax planning for owners and their businesses. She is energised by strong client relationships and finding practical and creative solutions to clients' challenges.

# THE FACULTY

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## **Raffi Tenenbaum, Director, William Buck, Sydney, NSW**

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With over 20 years' experience in the tax profession across big-4 firms, mid-tier firms and the Australian Taxation Office, Raffi specialises in advising Australian & foreign businesses on taxation issues impacting their structures and business operations, including equity raisings, IPOs and transactions.



Most of Raffi's clients are privately-owned business groups of various sizes who regularly grapple with tax issues, including Division 7A, taxation of trusts, CGT small business concessions, etc. Raffi also assists many of his privately-owned clients expand their operations overseas, especially into the Asia-Pacific region.

Raffi is a senior presenter for the TEN The Education Network, CPA Australia and The Tax Institute and has presented many sessions and papers on contemporary taxation issues.

## **Vanessa Priest, Partner, Baskin Clarke Priest, Sydney, NSW**

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Vanessa has more than 26 years experience as a tax specialist, and has an interest in the tax and succession issues faced by privately owned enterprises and family groups. She has extensive knowledge in areas such as tax structuring, cross border issues, asset acquisitions and divestments, and tax issues arising for trusts.



Vanessa was a partner at Deloitte Private and prior to that was a partner at BDO and Crowe Horwath.

Vanessa is a Chartered Accountant and has degrees in Teaching, Commerce (majoring in Accounting and Economics) and a Masters in Tax Law. She is a member of the Taxation Institute of Australia, Tax Discussion Group No. 14 and a representative member of the ATO Small Business Tax Working Group, and past member of the Westminster Tax Discussion Group.

She is currently the Chair of the NSW Professional Development Committee for the Taxation Institute of Australia and is a Member of the State Council for the Taxation Institute of Australia.



# THE FACULTY

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## **Georgina Ling, Manager, Deloitte Tax & Legal, Brisbane, Qld**

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Georgina is a manager with 4 years public practice experience. Georgina has extensive experience in working with a number of different entities and structures including high net wealth family groups, ASX listed entities and consolidated groups.

Georgina's focus is private clients (high net wealth family groups and the businesses they operate), across a broad range of sectors and markets, including, Engineering, Consumer and Retail, Property Development, Transportation and Logistics. She has experience in providing a broad range of tax advice, predominantly domestic restructure projects and transactions.





# WHAT YOU GET

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## **This video webinar series includes the following components:**

- Online access to the on demand webinar programs. Programs are expected to be 1 hour each in length.
- The programs will be recorded in January 2023 and available for immediate viewing from late January 2023.
- Online access to the technical materials accompanying each program.



## **Leaders in CPD for Accountants**

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