

EXPOSURE DRAFT

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Inserts for
**Treasury Laws Amendment (Measures
for a later sitting) Bill 2018**

Commencement information

Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details

1. Schedule #	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	
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EXPOSURE DRAFT

Schedule #—Enhancing the integrity of the small business CGT concessions in relation to partnerships

Income Tax Assessment Act 1997

1 Section 152-5

Omit:

Additional basic conditions must be satisfied if the CGT asset is a share in a company or an interest in a trust.

substitute:

Additional basic conditions must be satisfied in the following circumstances:

- (a) the CGT asset is a share in a company or an interest in a trust;
- (b) the CGT event involves certain rights or interests in relation to the income or capital of a partnership.

2 After subsection 152-10(2B)

Insert:

Additional basic condition for CGT events involving certain rights or interests in relation to the income or capital of a partnership

- (2C) If the *CGT event involves the creation, transfer, variation or cessation of a right or interest that would entitle an entity to:
- (a) an amount of the income or capital of a partnership; or
 - (b) an amount calculated by reference to a partner's entitlement to an amount of income or capital of a partnership;
- it is an additional basic condition that the right or interest is a *membership interest of the entity in the partnership.

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3 Application

The amendments made by this Schedule apply in relation to CGT events happening after 7.30 pm, by legal time in the Australian Capital Territory, on 8 May 2018.