



2021 Share Sale Checklist

The sale of shares (no matter how large or how small) will need to be included in your tax return. You may make a profit on the sale (capital gain) or a loss (capital loss) and depending upon how long you have held those shares, your capital gain may be reduced by 50%.

A common misconception is that capital gains tax is a separate tax and we are commonly asked at what rate that tax is levied. The truth is, that it is not a separate tax. The capital gain is added to your ordinary income for the year and the tax payable then depends upon your marginal tax rate.

For example, a taxpayer who has earned \$25,000 in the financial year and has also made a taxable capital gain of \$1,000 will have tax to pay at 19% on that gain so that would mean \$190. Conversely, a taxpayer who has earned \$45,000 with the same \$1,000 capital gain will be taxed at 32.5% which would mean \$325 of tax payable on the gain.

Please note, that if you make a capital loss, it can be applied against a future capital gain thus reducing the tax payable on the future capital gain. Similarly if you have made a capital loss in a prior year and make a capital gain this year, your gain is reduced by the amount of the prior year capital loss.

Please bring with you the following information / documents to your appointment as applicable

Sell contracts for all shares sold during the year.

If you have not previously provided these to us, please also bring with you the following in relation to the share parcel/s sold

- Original buy notice/contract
- Dividend Reinvestment Plan notices
- Return of Capital Notices

We recommend that if you buy any shares or receive any shares under a dividend re-investment plan that you provide those to us each year so that we can keep a copy on file for you.