



CAPITAL GAINS TAX MANAGEMENT

Use a Timbercorp Project to build long term wealth and apply the tax benefit to offset a capital gains tax liability.



CASE STUDY - JOE

Joe's annual income	\$90,000
Realised capital gain (after 50% discount)	\$50,000
Additional tax payable on capital gain	\$20,750

STRATEGY

- Invest \$55,000 in a Timbercorp agribusiness project
- Fund the investment through Timbercorp Finance with a 10% deposit using a 7 year principal and interest loan
- Use the tax deduction from the investment to offset the capital gains tax liability

OUTCOME

Joe has:

- Used funds other wise paid in tax to diversify his portfolio into a quality agribusiness investment
- Eliminated his capital gains liability, saving \$20,750 tax
- Minimised impact to cashflow by borrowing to invest

Deposit	\$5,500
Less GST refund	\$5,000
Net outlay	\$500
Ongoing monthly repayments	\$841

JOE'S TAX POSITION COMPARISON

	BEFORE investing in Timbercorp Project	AFTER investing in Timbercorp Project
Income	\$90,000	\$90,000
Net Gain	\$50,000	\$50,000
Taxable Income	\$140,000	\$140,000
<i>Deduction for investment</i>		- \$50,000
Assessable Income	\$140,000	\$90,000
Tax Liability	\$45,950	\$25,200
TAX SAVINGS		\$20,750

Important Notice

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- is based on the laws applicable at the time of publication, which are subject to change;
- is hypothetical and is intended as a guide only;
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Persons may only invest in a Timbercorp agribusiness project (Project) by making an application on the Application Form attached to or accompanying the Product Disclosure Statement (PDS) issued in relation to the Project. During the offer period you may obtain the PDS in relation to a Project by calling 1800 628 188 or downloading it from our website www.timbercorp.com.au

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