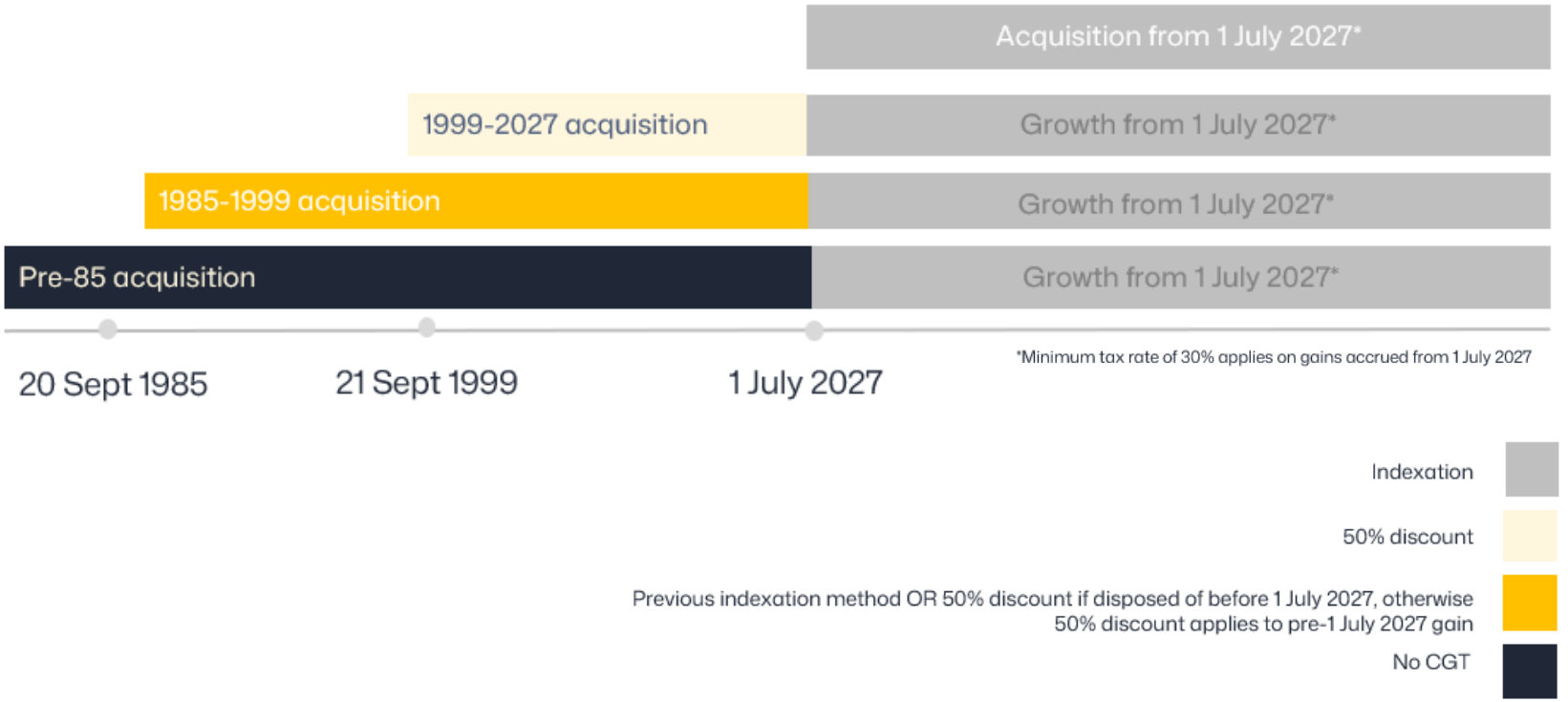
Changes to capital gains tax

What the changes could mean for you

1 July 2026

Important: Legislation to implement these changes passed through Parliament and applies from 1 July 2027. Whether these rules affect you will depend on your circumstances.

The chart below shows how the changes may apply to assets depending on when these were bought and when sold.



At a glance

Which assets may be impacted?

The change impacts all assets that are subject to capital gains tax, such as investment properties, shares and some other investments. Whether a particular asset is affected will depend on the type of asset, when you bought it and whether any exemption applies.

Does this change apply to my main residence?

The change won't impact the main residence exemption. However, if your home hasn't been your main residence for tax purposes for the whole time you've owned it, you may have a partial CGT liability, as is currently the case. It's important to check your own circumstances with your financial adviser and registered tax agent.

How may existing assets be treated?

The chart on page 1 shows that existing assets may be treated differently depending on when you bought them. In general, any growth in value up to 30 June 2027 is assessed under the current rules, while growth after that date may be worked out under the new rules.

Assets owned before 20 September 1985 were generally outside the CGT rules. Under the changes, these assets would be treated as if these were purchased on 1 July 2027. This means any increase in value up to that date will remain CGT exempt but any future growth after that date will be taxed under the new rules. The asset's value on 1 July 2027 will be used to calculate the gain from that date.

Assets bought between 20 September 1985 and 21 September 1999 that are sold before 1 July 2027, the current rules will apply to the capital gain accrued before that date. This means you may choose between the indexation method and the 50% discount. If you sell on or after 1 July 2027, only the 50% discount will apply to that gain. The asset's cost base will be reset to its market value on 1 July 2027 and the indexation method will apply to any future capital gain.

Assets bought between 21 September 1999 and before 1 July 2027 will be treated as if their market value was reset on 1 July 2027. In simple terms, this is designed to separate any gain that built up before 1 July 2027 from any gain that happens after that date. The 50% discount will apply to any gains accrued before 1 July 2027 and the indexation method will apply to gains accrued from 1 July 2027.

Do I need to do anything right now?

The changes are law and start from 1 July 2027. For now, the most practical step is to understand whether your assets may be affected, and to speak to your financial adviser to discuss how these changes impact you.

Important information and disclaimer

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