

New Tax Legislation

When to Realise a Capital Gain



With the Budget changes now legislated, perhaps it's time to consider more closely how they may affect you, and what you can do about it – especially in relation to the CGT discount changes.

So, looking at the CGT discount first, if you already own an asset you won't be denied whether or not you sell before or after the key changeover date of 1 July 2027.

If you sell before that date, you will continue to get the full 50% CGT discount (provided you are and have been a resident of Australia for tax purposes).

If you sell on or after that date, you will continue to get the full 50% CGT discount up to its market value on 1 July 2027 and for any gain that accrues thereafter

continued overleaf →

This information has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation or needs.

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you will be subject to the indexation method of calculating your gain (and the new minimum 30% tax rate).

In short you won't be really penalised if you own an asset now and sell before or after that key date you will still get the discount up to that date.

But then you will be subject to the new indexation method of calculating any gain and, more importantly, the new minimum 30% tax rate.

And that is where you may get penalised.

Therefore, if you are looking at realising a gain on an asset (eg shares) in an income year when you have little or no other assessable income so that your capital gain will get taxed at less than the 30% marginal tax - then you may want to think of doing that before 1 July 2027... because after that the minimum 30% tax rate will be imposed on your "raw" capital gain.

It's a simple bit of planning but invaluable (assuming in the year ending 30 June 2027 you can order things in a way to reduce your normal taxable income).

So come and have discussion with us about this – before perhaps you lose the opportunity to do something advantageous.