



✕ Menu

🏠 Home

🔍 Search

◀ Capital gains tax

What is capital gains tax?

List of CGT assets and exemptions

Acquiring CGT assets

CGT events



CGT discount

Calculating your CGT



Property and capital gains tax



Shares and similar investments



Inherited assets and capital gains tax



Foreign residents and capital gains tax



Relationship breakdown and capital gains tax



Market valuation of assets

is eligible for the 50% CGT discount.

Capital gains tax changes

Changes to capital gains tax (CGT) announced in the 2023-24 Budget don't apply to Tax Time 2026.

[How it works](#)

[50% discount requirement](#)

[50% CGT discount](#)

[50% discount](#)

[50% discount on affordable rental housing](#)

50% discount works

When you dispose of an asset, you can reduce your capital gains tax if the following apply:

• You owned the asset for at least 12 months

• You are a resident for tax purposes.

Capital gains tax (CGT)



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Ownership requirement

For the CGT discount you must own it for at least 12 months before the 'CGT event' happens. The CGT event is the point at which you realise a gain or loss. You exclude the day of acquisition from the 12 months when working out if you owned the CGT asset for at least 12 months before the 'CGT event' happens.

If there is no contract of sale, the CGT event happens on the date of the sale.

If you sell the asset, the CGT event happens on the date of the sale when you settle. Property sales usually work this way.

If the asset is destroyed, the CGT event happens when:

1. You receive an insurance payment or other compensation

2. You receive a payment or compensation, when the loss is covered.

For the 12-month ownership requirement towards your 12-month ownership period you acquired it:

1. If the asset was acquired by the deceased on or after 1 September 1985

2. If the asset was acquired by you or your spouse – you will satisfy the 12-month ownership requirement if the combined period your spouse and you owned the asset for is at least 12 months

For the 12-month ownership requirement for an asset that was lost, destroyed or disposed of, the period of ownership of the original asset and the replacement asset must be at least 12 months.

Using the CGT discount

You can use the discount in the following circumstances.

Rental or business in last 12 months

If you first started [using it for rental or business](#) in the 12 months before disposing of it, you can't use the CGT discount.

Indexation method instead

For assets acquired since before 1 September 1999, you can [use indexation](#) instead of using the CGT discount. But in



better result (a smaller capital gain) by using the

by residents

It can't be used for capital gains made by [foreign or](#) [non-residents](#) after 8 May 2012. However, you may get an exemption for capital gains if you had a period of Australian citizenship or residence during the ownership of the asset.

Asset

An asset is not available for a CGT event that creates a new asset if the asset might happen, for example, with a restrictive covenant or a payment for agreeing not to do something or

if the asset hasn't been acquired at least 12 months before the

in a non-widely held entity

The discount is denied when you dispose of certain shares or interests in widely held companies and trusts. These are companies or trusts with fewer than 300 members.

Personal asset

An asset is not treated into a capital asset for the purposes of the discount if the discount may be denied (under Part IVA of the Income Tax Assessment Act 1936).

Companies

At least 12 months:

Individuals can discount a capital gain by 50%

Companies can discount a capital gain by 33.33%.

CGT discount.

CGT discount

Learn how to use the CGT discount to reduce your tax works:



losses from other assets, you must subtract these before applying the discount.

discount for an asset, you reduce the remaining net by 50% and report this amount in your income Super funds reduce their capital gain by 33.33%.

For affordable rental housing

discount of up to 10% for individuals who are for purposes who provide [affordable rental housing](#) of moderate income.

count to up to 60% for owners of these assets.

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