federal budget 2026-27

negative changes cheatsheet

as at 18 November 2026

property date [contract date]	**CGT treatment**	**negative gearing treatment**
Owned pre-CGT [i.e. pre-20 Sept 1985]	Growth to 30 June 2027 stays tax-free. Gains after 1 July 2027 based on CPI indexation and a minimum tax rate of 30%, from a market value cost base [need a valuation as at 30 June 2027]	Still available
Owned before 7.30pm 12 May 2026	If sold before 1 July 2027 = no changes [i.e. 50% CGT Discount available if held for greater than 12 months]	Negative gearing can continue on these properties until sold
Acquired after 7.30pm 12 May 2026 but before 1 July 2027 [existing residential properties]	If sold after 30 June 2027 = 50% CGT Discount on growth to 30 June 2027 + growth after that under the new rules [indexed cost base and 30% minimum tax] Split the gain using a 30 June 2027 valuation or Treasury's formula [draft] – you choose when you sell	Negative gearing allowed to 30 June 2027 From 1 July 2027 losses can't be offset against salary or other income. They can be offset against other residential rental income and residential capital gains, or carried forward to future years
Acquired after 1 July 2027 [existing residential properties]	Cost base indexed for CPI [if held 12+ months] and gain taxed at marginal tax rate [up to 47%] with a minimum tax rate of 30%	No negative gearing allowed Losses can be offset against other residential rental income and residential capital gains, or carried forward to future years
Acquired after 7.30pm 12 May 2026 [new residential builds]	Choose between the 2 systems: – either the 50% CGT Discount or – cost base indexed for CPI and gain taxed at marginal tax rate [with the minimum tax rate of 30%]	Negative gearing allowed Must add to housing supply – see page 2
Other asset types	All other CGT assets [shares, business interests, crypto] subject to the same rules, except small business CGT concessions [50% active asset reduction now up to $10m turnover] and the proposed start-up CGT concession [keeps the 50% discount]	Negative gearing still available for non-residential property and other assets [e.g. shares]

- → The core CGT and negative gearing changes above are now law [Tax Reform No. 1 Act 2026] and start 1 July 2027.
- → Losses are pooled across all your residential properties each year. They can't be added to the cost base.
- → Companies never got the 50% CGT Discount: no indexation, 30% on the whole gain. The negative gearing limits apply to companies too.
- → The devil is in the detail, so make sure everyone checks their specific circumstances with their advisor.

what else you need to know

as at 18 November 2026

key dates

7.30pm, 12 May 2026	Budget night – the cut-off for keeping negative gearing
10 August 2026	SMSFs can no longer take out new loans to buy residential property
30 June 2027	Valuation day – assets treated as sold and bought back [no tax on the day]
1 July 2027	New CGT rules and negative gearing limits start. Trust restructure relief window opens [3 years, proposed]
1 July 2028	Proposed 30% minimum tax on discretionary trusts

good to know

Who's exempt from the 30% minimum?

Anyone receiving an income support payment at any time in the year of sale – Age Pension, JobSeeker, Disability Support Pension, Carer Payment, Parenting Payment, Family Tax Benefit, Youth Allowance, Austudy and some DVA payments. Carer Allowance alone doesn't count. They still lose the 50% discount.

What counts as a new build? [proposed]

Must add to housing supply built on vacant land, off the plan, bought within 24 months of the first occupancy certificate, one house knocked down for a duplex or more, or a conversion to homes. Renovations and one-for-one knock-down rebuilds don't count.

Valuation day

Growth to 30 June 2027 keeps the 50% discount. Get a valuation as at that date, then compare it with Treasury's formula when you sell and use whichever works out better.

Hold for 12+ months

Indexation only applies if you've held the asset for more than 12 months. The 30 June 2027 deemed sale doesn't reset the clock.

What hasn't changed

Your home [main residence exemption]. CGT inside super. Small business CGT concessions [threshold now $10m].

Your deductions won't get you under 30%

Salary sacrifice or other negative gearing won't take the tax on a capital gain below 30%. Capital losses and parked rental losses do reduce the gain first.

law, bill or draft?

LAW

- CGT changes [indexation + 30% minimum]
- Negative gearing limits
- SMSF residential borrowing ban
- Small business threshold $10m
- Foreign buyers ban on established homes extended to 30 June 2029

BILL – NOT LAW YET

- 30% minimum tax on discretionary trusts [Senate vote expected in the coming weeks]
- New build definition [24 months]
- Deceased estates and testamentary trusts exempt from the 30% minimum
- Keeping the old rules when property passes to a spouse on death or separation
- Start-up CGT concession

DRAFT ONLY

- Treasury's formula for splitting the gain at 30 June 2027
- ATO valuation guidance

→ General information only. The devil is in the detail, so make sure everyone checks their specific circumstances with their advisor.