PHC ACCOUNTING

FY2026-27 Tax Update

Key Federal tax and superannuation changes for individuals, investors and small businesses.

FINANCIAL YEAR
2026-27

1 JUL 2026
Payday Super and Division 296 commence. Indexed contribution caps apply.

1 JUL 2027
New CGT indexation and 30% minimum gain tax commence. Trust rollover window opens.

1 JUL 2028
30% minimum tax for most discretionary trust distributions commences.

01 Capital gains tax - new rules from 1 July 2027

The 50% CGT discount is replaced for most eligible gains accruing from 1 July 2027, with transitional rules for assets already held.

NEW METHOD LEGISLATED

Indexation replaces the 50% discount

For individuals, trusts and partnerships, the cost base will be indexed for CPI for eligible assets held at least 12 months.

MINIMUM TAX LEGISLATED

30% floor on real capital gains

A 30% minimum tax applies to real gains accruing from 1 July 2027, subject to exemptions including certain income-support recipients.

TRANSITIONAL RULES LEGISLATED

Pre-1 July 2027 gains retain current treatment

For assets held across the start date, the pre-commencement component keeps existing treatment; valuation or an approved apportionment method will be required on disposal.

NEW HOUSING SUPPLY LEGISLATED

Choice retained for qualifying new builds

Eligible investors in qualifying new residential builds may choose the existing 50% discount or the new indexation/minimum-tax method.

Planning point: Do not sell solely because of the start date. Compare the current discount with future indexation, transaction costs, cash flow and the asset-specific transitional valuation.

02 Small business and trust measures

The Budget introduced permanent and targeted business support, while changing the taxation of most discretionary trust distributions.

PERMANENT LEGISLATED

Small-business instant asset write-off

From 1 July 2026, eligible small businesses with aggregated turnover under $10m can immediately deduct eligible assets costing less than $20,000.

LOSS CARRY BACK LEGISLATED

Company losses from 2026-27

Eligible companies may carry a current-year tax loss back against income tax paid in either of the previous two income years.

FROM 2028-29 LEGISLATED

Refundable start-up losses

Qualifying small start-ups in their first two years may receive a refund for losses, capped by PAYG withholding and FBT paid for employees.

FROM 1 JULY 2028 LEGISLATED

30% minimum tax for discretionary trusts

Most discretionary trust distributions will be subject to a 30% minimum tax, with exceptions including qualifying primary-production trusts.

TRANSITION LEGISLATED

Three-year trust rollover window

Rollover relief is available from 1 July 2027 for three years for eligible restructures ahead of the trust minimum-tax regime.

STILL AVAILABLE CURRENT LAW

Small-business CGT concessions

The four concessions remain available where all eligibility conditions are satisfied.

Planning point: Trustees should review structures early, but restructuring can trigger tax, duty, asset-protection, succession and commercial consequences. Obtain tailored advice before acting.

03 Superannuation - key changes from 1 July 2026

The tax concessions apply through the superannuation system generally; an SMSF is a structure choice, not a separate lower tax rate.

DIVISION 296 IN FORCE

Additional tax for large balances

For 2026-27, defined realised taxable super earnings attributable to balances above $3m face an additional 15%; the additional rate is 25% for the portion above $10m.

PAYDAY SUPER IN FORCE

Contributions linked to payday

Employers calculate, report and pay SG with salary and wages under the Payday Super rules. Most contributions must reach the fund within 7 business days.

SMSF READINESS ATO GUIDANCE

Keep fund details and lodgments current

SMSFs receiving employer contributions should maintain current bank/electronic service details, a complying Super Fund Lookup status, and up-to-date lodgments.

SUPERANNUATION QUICK REFERENCE

THRESHOLD	2025-26	FROM 1 JULY 2026
Concessional contributions cap	$30,000	**$32,500**
Non-concessional contributions cap	$120,000	**$130,000**
General transfer balance cap	$2.0m	**$2.1m**
Super guarantee rate	12%	**12%**

Planning point: Model Division 296 exposure for members approaching $3m or $10m. Contribution decisions should also consider eligibility, carry-forward or bring-forward rules, preservation, liquidity, investment strategy and estate planning.

WHAT CLIENTS SHOULD DO NOW

- Review planned asset sales and obtain valuation records before the CGT transition.
- Review discretionary-trust structures well before the rollover window closes.
- Update payroll processes for Payday Super and check contribution timing.
- Model large super balances and confirm contribution-cap availability before contributing.

Status checked 27 August 2026

Primary sources: Australian Government Budget 2026-27 Tax Reform; Federal Register of Legislation; ATO contributions caps, Payday Super and Division 296 guidance. Foreign-resident CGT changes are identified separately as a Bill before Parliament.

General information only. This update does not consider your objectives, financial situation or circumstances and is not financial product advice. Tax outcomes depend on the final facts and law applying when a transaction occurs. Please obtain tailored tax and, where relevant, legal and licensed financial advice before acting.