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Small business CGT concessions

In addition to the capital gains tax (CGT) exemptions and rollovers available more widely, there are four concessions that allow you to disregard or defer some or all of a capital gain from an active asset used in a small business:

- [15-year exemption \(/general/capital-gains-tax/small-business-cgt-concessions/small-business-15-year-exemption/\)](#) – If your business has continuously owned an active asset for 15 years and you're aged 55 or over and are retiring or permanently incapacitated, you won't have an assessable capital gain when you sell the asset.
- [50% active asset reduction \(/general/capital-gains-tax/small-business-cgt-concessions/small-business-50--active-asset-reduction/\)](#) – You can reduce the capital gain on an active asset by 50% (in addition to the 50% CGT discount if you've owned it for 12 months or more).
- [Retirement exemption \(/general/capital-gains-tax/small-business-cgt-concessions/small-business-retirement-exemption/\)](#) – Capital gains from the sale of active assets are exempt up to a lifetime limit of \$500,000. If you're under 55, the exempt amount must be paid into a complying super fund or a retirement savings account.
- [Rollover \(/general/capital-gains-tax/small-business-cgt-concessions/small-business-rollover/\)](#) – If you sell an active asset, you can defer all or part of a capital gain for two years, or longer if you acquire a replacement asset or incur expenditure on making capital improvements to an existing asset.

These concessions are available when you dispose of an active asset and any of the following apply:

- you're a small business with an aggregated annual turnover of less than \$2 million
- your asset was used in a closely connected small business
- you have net assets of no more than \$6 million (excluding personal use assets such as your home, to the extent that it has not been used to produce income).

The concessions can also apply when you dispose of shares in a company or units in a trust that meet certain criteria.

You can apply as many concessions as you're entitled to until the capital gain is reduced to nil. There are rules about the order in which you apply the concessions, any current year or prior year capital losses, and the CGT discount.

In addition to the four small business CGT concessions, there is a [small business restructure rollover \(/general/capital-gains-tax/small-business-cgt-concessions/small-business-restructure-rollover/\)](#) allowing the transfer of active assets – including CGT assets – from one entity to another, on or after 1 July 2016, without incurring an income tax liability. You can access this concession if your aggregated turnover is less than \$10 million.

Find out about:

- [Basic eligibility conditions \(/general/capital-gains-tax/small-business-cgt-concessions/basic-conditions-for-the-small-business-cgt-concessions/\)](#)
- [Choosing and applying the concessions \(/general/capital-gains-tax/small-business-cgt-concessions/choosing-and-applying-the-concessions/\)](#)

See also:

- [Death and small business CGT concessions \(/general/capital-gains-tax/small-business-cgt-concessions/death-and-small-business-cgt-concessions/\)](#)

- [Keeping records for CGT small business concessions \(/general/capital-gains-tax/small-business-cgt-concessions/keeping-records-for-cgt-small-business-concessions/\)](#)
- [Small business concessions in prior years \(/general/capital-gains-tax/small-business-cgt-concessions/small-business-concessions-in-prior-years/\)](#)

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Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

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