



## Getting CGT right for foreign residents

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- <https://www.ato.gov.au/Tax-professionals/Newsroom/Income-tax/Getting-CGT-right-for-foreign-residents/>
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### Foreign residents and main residence exemption

If your foreign resident clients sold property after 30 June 2020, they are not entitled to the [main residence exemption](#) from CGT unless they satisfy the requirements of the [life events test](#).

If a foreign resident taxpayer doesn't meet the life events test, they aren't entitled to any main residence exemption, even if they were a resident for some of the ownership period.

Only foreign residents who sold property prior to 30 June 2020 may be eligible for the main residence exemption.

### Foreign residents and the 50% CGT discount

When a foreign or temporary resident sells Australian property, the [50% CGT discount](#) can only be applied to part of their capital gain when either of the following occurred:

- they acquired the asset on or before 8 May 2012
- they had a period of Australian residency after 8 May 2012.

If either of these apply, you may pro rata a portion of the discount for the number of days your client was an Australian resident after 8 May 2012. This is done by calculating the total number of residency days, divided by the overall ownership days in the ownership period and calculating it as a percentage.

If your client purchases a property after 8 May 2012 and remains a foreign or temporary resident for the entirety of ownership, they aren't entitled to any CGT discount when they sell their property.

More information about [Foreign residents and CGT](#) is on our website.

## Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

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.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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