Small business 15-year CGT exemption

The 15-year CGT exemption is the most favourable of the four small business tax concessions. The exemption means:

- The entire capital gain you have made on your business over the years is disregarded by the ATO
- You don't need to use any capital losses to offset the capital gain
- The entire sale proceeds up to the Lifetime CGT Cap can be contributed into your super account and not counted towards the non-concessional contributions cap

Conditions for eligibility:

- You must be aged 55 years or older and retiring and have continuously owned the asset for at least 15 years
- The asset you're selling must meet the ATO's active asset test

You must be **one** of the following:

- A small business entity with an aggregated turnover of less than $2 million
- Not carrying on a business (other than as a partner), but the asset you are selling is used in a closely connected small business
- A partner in a partnership that is a small business entity, and the asset is either:
    - An interest in a partnership asset
    - An asset you own that is not an interest in a partnership asset, but is used in the partnership's business
- You satisfy the maximum net asset value test

Super contribution:

You can use money eligible for the 15-year CGT exemption to contribute to your super account. These contributions are **not limited** by the normal annual non-concessional contributions cap. However, there is a separate limit for this type of contribution known as the Lifetime CGT Cap. The cap amount is indexed annually and in FY 2026/27 the limit is $1,935,000

You will need to complete the CGT cap election form and must give this to your super fund **before or at the time you make the contribution**, otherwise the election will be deemed invalid, and the contributions will be included in your non-concessional contributions cap.