

Australia's 2026-27 Federal Budget: Key Tax Changes Explained

Negative Gearing & Capital Gains Tax Reforms



Negative Gearing Limited to New Builds

Deductions for existing residential properties purchased after May 2026 are restricted, with negative gearing support focused on new residential builds.



CGT Discount Replaced by Indexation

The 50% CGT discount is proposed to end, with cost-base indexation applying instead.



Small Businesses and Trusts



30% Minimum Tax on Discretionary Trusts

A proposed minimum tax rate of 30% would apply to discretionary trust income.



Instant Asset Write-Off

The \$20,000 instant asset write-off is proposed to become permanent from 1 July 2026 for eligible small businesses with turnover under \$10 million.