

Business assets



It is usually preferable to transfer assets by sale, or a “buy and sell” arrangement.

Buy and sell arrangement

- Ensures assets bypass the estate and go directly to the purchaser.
- Purchase price is usually funded by a life insurance pay-out.
- Insurance payout is usually free from CGT.
- Business continuity is assured.

Concessions when selling business assets

A small business may apply these in statutory order; they can stack to reduce the gain.

1

15-year exemption

An active asset owned 15+ years can be sold CGT-free on retirement (conditions apply).

2

50% active asset reduction

Reduces the capital gain by 50%, on top of the general CGT discount.

3

Retirement exemption

Disregards gains up to a \$500,000 lifetime limit (paid to super if under 55).

4

Small business roll-over

Defers the remaining capital gain. Capital losses are not affected by these concessions.

Consult a tax expert before making a decision.

This is general information only and does not take into account your personal circumstances. Consult a licensed adviser before making any decision.