nesssuper
Industry Super for Trades

Small business capital gains tax concessions and building your superannuation

You've worked your whole life to build your business so that you can retire comfortably and then when you sell it or its assets you may be hit with a big capital gains tax bill.

Did you know that there are a few small business capital gains tax (CGT) concessions that can be used to reduce some or all of a capital gain from the sale of an active asset used in a small business?

The 4 small business CGT concessions are:

- Small business 15-year exemption
- Small business 50% active asset reduction
- Small business retirement exemption
- Small business rollover

There are two CGT small business concessions that relate to amounts that can be contributed to super under the lifetime CGT cap of $1.935 million for the 2026/27 financial year instead of the non-concessional contribution cap. This may allow you to not only save tax but build more funds in superannuation for your retirement.

The following small business CGT concessions that can be contributed to superannuation are:

- Small business 15 year exemption
- Small business retirement exemption

There are basic conditions for all small business tax concessions. These are:

- The disposer of the asset must be a CGT small business entity or a partner in a partnership that is a CGT small business entity and the aggregate of its annual turnover plus the annual turnover of connected entities must be less than $2 million.

Or

- The net value of assets that the CGT small business entity and related entities owns does not exceed $6 million.

And

- the CGT asset disposed of must satisfy the Australian Taxation Office (ATO) active asset test.

Small business 15-year exemption

This allows a taxpayer to disregard all of a capital gain from the sale of a CGT asset if the following conditions are met:

- You meet the basic conditions of the small business tax concessions
- You are over 55 years of age when the CGT event happened
- You continuously owned the asset for the 15-year period ending just before the CGT event happened
- The CGT event happened in connection with the individual's retirement

These funds can be contributed to super if under the lifetime CGT cap of $1.935 million for the 2026/27 financial year.

Small business retirement exemption

This allows a tax payer to disregard capital gains up to a lifetime limit of $500,000 from the sale of a CGT asset if the following conditions are met:

- You meet the basic conditions of the small business tax concessions
- A choice to disregard the capital gain is received in writing by the ATO within specified timeframes
- If under the age of 55 the amount equal to the CGT amount is contributed into superannuation

These funds can also be contributed to super even if you are 55 or over.

Example small business 15-year exemption

Tom is 60 years of age and decides to sell land which has been an active asset in his business for the past 17 years as he is retiring.

The net value of his CGT assets for the purpose of the maximum net asset value test is less than $6 million. There is a capital gain of $1.2 million dollars on thesale of the land.

As Tom qualifies for the small business 15-year exemption in relation to the gain he can disregard the entire capital gain and pay no capital gains tax.

He can then contribute the proceeds to superannuation if it is under the lifetime CGT cap of $1.935 million. Anything over this would be treated as non-concessional or concessional contributions and subject to the relevant caps.

Example small business retirement exemption

Harry is 50 years of age and is a small business entity with an aggregated turnover of less than $2 million. He decides to sell his land which has been an active asset of his business for the past 5 years.

There is a capital gain of $750,000 on the sale of the land.

Harry as an individual has reduced his capital gain by the 50% CGT discount to $375,000. He is also entitled to the small business 50% active asset reduction reducing the gain to $187,500. If he contributes the $187,500 to superannuation under the small business Retirement exemption, he can also disregard this and pay no capital gains tax.

Small business and retirement

Many small businesses owners have lower superannuation balances across all ages compared to employees.

Having a larger superannuation balance can result in higher tax-free income in retirement.

The total amount of super you can transfer into a tax-free retirement income stream is $2.1 million from 1 July 2026.

Whilst only your accountant or qualified tax adviser can give you advice on small business CGT concessions, NESS is able to accept small business CGT contributions.

Please contact NESS Super if you need assistance with the processing of these contributions.

Get advice

Small business CGT concessions can be very complex, and the information provided gives you only basic information. Please consult with a qualified tax professional to determine your eligibility to access these concessions.

There are also other small business CGT concessions available.

Additional basic conditions must be met if the asset being sold is a share in a company or an interest in a trust.

Depreciating assets do not meet the basic eligibility requirements of an active asset.

If you would like advice in relation to your own personal circumstances, please contact one of our financial planners – **Therese Pontifex** on **0408 188 000** or **Hernan Reyes** on **0460 424 234** as they would be happy to assist you.

We're here to help

Financial advice is available to all NESS Super members and simple advice is free of charge.

For more details on our financial planners, including their qualifications and our services visit **nesssuper.com.au/planners**.

If you have any questions or require further assistance, please contact our Member Services Team, on **1800 022 067** Monday to Friday 8.30am - 6.00pm (AEST) or email **contact@nesssuper.com.au**.

This document was issued in September 2026 by NESS Super Pty Ltd (**Trustee**) ABN 28 003 156 812 AFSL 238945, as Trustee of NESS Super (the **Fund**) ABN 72 229 227 691.

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