GROW ACCOUNTING QUICK CLIENT GUIDE

2026-27 tax changes: the useful bits

Rental losses, CGT, trusts and SMSF borrowing - in plain English.

Current as at 15 July 2026. Negative gearing and CGT changes start from **1 July 2027**. Discretionary trust minimum tax is announced from **1 July 2028**, with more detail to come.

Negative gearing

Existing residential investment properties held before 7:30pm AEST on 12 May 2026 are grandfathered while held.

Established property

Post-Budget established residential purchases have losses quarantined from 1 July 2027.

CGT

Applies broadly to CGT assets, not just property. Sale date and ownership date matter.

Trusts

Discretionary trust minimum tax is separate and starts later: 1 July 2028.

1. Negative gearing - residential investment property

Question	If yes	If no
Commercial property?	Changes do not apply.	Keep checking.
Residential property held before Budget cut-off?	Grandfathered while held.	New rules may apply from 1 July 2027.
Eligible new build?	Negative gearing remains available.	Losses are quarantined if otherwise caught.
SMSF/super fund, widely held trust, build-to-rent or specified housing program?	Excluded.	Most private investors/trusts are caught if other conditions apply.

Practical result: if caught, rental losses cannot be used against wages or non-property income. They carry forward and can be used against residential property income or residential property capital gains.

2. CGT - from 1 July 2027

This is broader than property. It can also affect shares, crypto and other CGT assets.

Question	If yes	If no
Sold before 1 July 2027?	Current rules apply.	Keep checking.
Owned before 1 July 2027?	Transitional treatment: pre-change and post-change gains treated differently.	New rules apply to the whole gain if asset is in scope.
Eligible new residential build?	Investor can choose 50% discount or indexation/minimum tax method.	New indexed method for post-2027 gains.
Pre-CGT asset?	Historical gain to 1 July 2027 remains protected; future gains enter CGT net when sold.	Normal timing rules apply.

3. Trusts and SMSFs

Discretionary/family trusts

A 30% minimum tax is announced from 1 July 2028. This is separate from CGT. Trusts are not automatically wrong, but distributions and bucket-company strategies will need review once detail is clearer.

SMSFs

The issue is new residential property borrowing. Existing residential property ownership is not the issue, SMSFs can still buy residential property without borrowings, and commercial property is unaffected.

What should clients do now?

- Do not rush to sell or restructure solely because of the headlines.
- Get advice before buying established residential property after Budget night.
- Check the cash flow if a tax refund previously helped fund the property shortfall.
- Get advice before selling major assets around the 1 July 2027 CGT changeover.
- Review family trust and bucket-company strategies when further detail is available.
- If using an SMSF to buy residential property with borrowings, check timing before proceeding.

Grow view

General information is useful, but the real answer depends on your structure, assets, debt, family group, timing and long-term plans. That is where the actual planning happens. Not in the headlines.

Important notice: General information only. Seek advice before buying, selling, restructuring, making trust distributions or changing investment strategy. Source notes: Treasury 2026-27 tax system changes; ATO new legislation guidance.