



Superannuation & your business

As a small business owner, you can qualify for several capital gains tax (CGT) concessions when selling business assets. This means that if you need to dispose of assets that have risen in value during the time you've owned them, you may not have to pay capital gains tax on the profit you make from their sale.

THE AUSTRALIAN TAXATION OFFICE (ATO) HAS THREE BASIC CRITERIA, AND YOU ONLY NEED TO SATISFY ONE:

- You're a small business, defined as having an aggregated annual turnover of less than \$2 million.
- Your net assets don't exceed \$6 million (excluding personal assets such as your family home)
- Your asset was used in a closely connected small business

The concessions that are available provide for assets held longer than 15 years not being assessed for capital gains, a 50% discount to 'active' assets held for longer than 12-months, exemptions for transferring capital gains to the super environment while under 55 and choosing to defer gains for two years. Given the significant benefit that may be available it is worth investigating your eligibility.

In addition to the four small business CGT concessions, there is a small business restructure rollover allowing the transfer of active assets from one entity to another without incurring an income tax liability if certain conditions are met. You can access this concession if your aggregated turnover is less than \$10 million.

As you can see, many of these concessions are aimed at helping Australians boost their retirement savings.

You can apply as many concessions as you're entitled to until the capital gain is reduced to nil. There are a number of rules that apply so it is worthwhile checking whether you may be eligible.



MAIN STREET FINANCIAL SOLUTIONS

