



# Inherited assets and capital gains tax

How and when CGT applies if you sell assets you inherited, including properties and shares.

## Cost base of inherited assets

How to work out the cost of an inherited asset when you calculate CGT.

## Inherited property and CGT

Find out if the inherited property is exempt from CGT, and what happens if there was more than one owner.

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QC 66052

# Cost base of inherited assets

How to work out the cost of an inherited asset when you calculate CGT.

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## Asset acquired by deceased before 20 September 1985

If the deceased acquired the asset before 20 September 1985, it was a pre-CGT asset while they owned it. The first element of your cost base is the market value of the asset on the day the deceased died.

If the deceased made a major improvement to the asset on or after 20 September 1985, the improvement is not treated as a separate asset. You are taken to have acquired a single asset.

The cost base of this single asset is the total of:

- the cost base of the major improvement on the day the person died
- the market value of the pre-CGT asset, excluding the improvement, on the day the deceased died.

## **Asset acquired by deceased after 20 September 1985**

If the deceased acquired the asset on or after 20 September 1985, the first element of your cost base is generally what the deceased's cost base for the asset was on the day they died.

The first element of your cost base is the market value of the asset on the day the deceased died if the asset either:

- is a property that passed to you after 20 August 1996 (but not as a **joint tenant**), and just before the deceased died it was their main residence and was not being used to produce income
- passed to you as the trustee of a special disability trust.

## **Expenses the beneficiary includes in the cost base**

As a beneficiary, you can include in your cost base (and reduced cost base) any expenditure a legal personal representative (LPR) would have included in their cost base if they had sold the asset instead of distributing it to you.

You include the expenditure on the date the LPR incurred it.

### **Example: transfer of an asset from executor (LPR) to beneficiary**

Maria died on 13 October 2024 leaving 2 assets:

- a parcel of 2,000 shares
- a vacant block of land.

The executor of the estate:

- disregarded any capital gain or loss on the transfer of the assets
- sold the shares to pay Maria's outstanding debts
- transferred the land to Maria's beneficiary, Antonio, and paid the conveyancing fee of \$5,000 upon payment of all debts and tax.

The shares were not transferred to a beneficiary. Therefore, the executor must include any capital gain or loss on this disposal in the tax return for Maria's deceased estate.

The land was transferred to a beneficiary. Any capital gain or loss on this transfer is disregarded by the LPR.

The first element of Antonio's cost base is Maria's cost base on the date of her death. Antonio can include the \$5,000 the executor spent on the conveyancing in his cost base.

## **Legal costs incurred by a legal personal representative**

As the LPR, in some circumstances, legal costs you incur may form part of the cost base of the estate's assets.

For example, if a LPR incurs costs to confirm the validity of the deceased's will or defend a claim for control of the estate, these costs form part of the cost base of the estate's assets.

### **Example: legal costs incurred to prove the validity of a will**

Annie is the executor (LPR) of a deceased estate.

The deceased had more than one will prepared prior to their death:

- The final will left the estate's assets to Max.
- Prior wills had left the estate's assets to family members.

The family members challenged the validity of the deceased's will in Court. As a result, Annie incurred legal costs on behalf of the deceased estate to defend this action.

The Court held that the final will was valid and granted probate.

The legal costs that Annie incurred to confirm the validity of the will and obtain probate were incurred to preserve or defend the rights over the estate's assets.

Annie can't claim a deduction for these costs in her capacity as LPR as they are capital in nature. She can, however, include these legal costs in the cost base of the estate's assets.

However, not all costs incurred by a LPR having a connection to estate assets will form part of the cost base of the estate's assets.

### **Example: legal costs incurred prior to the deceased's death**

Cassie is the executor (LPR) of a deceased estate.

Shortly prior to and in anticipation of the deceased's death, Cassie acted as the solicitor for the deceased.

Cassie prepared an agreement for the transfer of interests in an asset of the deceased.

These actions were undertaken by Cassie prior to the deceased's death and the commencing of Cassie's duties as the LPR of the estate.

Any charges for Cassie's solicitor services prior to the deceased's death can't be included in the cost base of the estate's assets. Cassie's solicitor charges for the administration of the estate once she commences duties as the LPR can be included in the cost base of the estate assets.

## **Indexing the cost base of an inherited asset**

If the deceased died before 21 September 1999, you have the option of **indexing the cost base** when you dispose of the asset. Alternatively, you can claim the CGT discount. Usually, the discount will give you a better result.

With indexation, you calculate your capital gain by using the first element of the asset's cost base indexed for inflation up until 21 September 1999. You don't apply the discount.

If the deceased died on or after 21 September 1999, you can't use indexation. If the deceased's cost base includes indexation, you must recalculate the first element of your cost base to exclude it.

QC 66053

## Inherited property and CGT

Find out if the inherited property is exempt from CGT, and what happens if there was more than one owner.

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## Work out if your inherited property is exempt

If you inherit a property and later sell or otherwise dispose of it, you may be exempt from capital gains tax (CGT).

The same exemption applies if you are the trustee of a deceased estate.

The inherited property must include a **dwelling** and you must sell them together. Generally, you cannot get a CGT exemption for land or a structure that you sell separately from the dwelling.

If you are a [foreign resident](#), or the deceased was a foreign resident, you are generally not entitled to the main residence exemption when you sell the property.

Work through the following questions to find out if your inherited property is exempt from CGT.

**1. Did the deceased die before CGT started on 20 September 1985?**

**Yes:** property is fully exempt (however, any major property improvements or additions you make on or after 20 September 1985 may be subject to CGT)

**No:** go to question 2

**2. Did the deceased acquire the property before 20 September 1985?**

**Yes:** go to question 6

**No:** go to question 3

**3. Did you inherit the property after 20 August 1996?**

**Yes:** go to question 5

**No:** go to question 4

**4. From the time the deceased acquired the property until their death, was the property their main residence and not used to produce income?**

**Yes:** go to question 7

**No:** property is not fully exempt. You may qualify for a partial exemption

**5. Just before the deceased died, was the property their main residence and not used to produce income?**

**Yes:** go to question 6

**No:** property is not fully exempt. You may qualify for a partial exemption

**6. Did you dispose of the property within 2 years?**

See [Disposal within 2 years](#)

**Yes:** property is fully exempt

**No:** go to question 7

**7. From the time the deceased died, was the property used only as the main residence of at least one of the following people:**

- **the spouse of the deceased immediately before their death (but not a spouse who was permanently separated from the deceased)**
- **a person who has a right to occupy the property under the deceased's will**
- **you, as a beneficiary, if you dispose of the property as a beneficiary?**

See [Main residence while you own property](#).

**Yes:** property is fully exempt

**No:** property is not fully exempt (you may qualify for a partial exemption)

## **Disposal within 2 years**

You meet this requirement if you dispose of the property under a contract that settles within 2 years of the deceased's death.

It does not matter whether you used the property as your main residence or to produce income during the 2-year period.

You can extend the 2-year period if disposal of the property is delayed by exceptional circumstances outside your control.

### **Example: disposal within 2 years**

Rodrigo was the sole occupant of a flat he bought in April 1992. He did not live in or own another property.

Rodrigo died in January 2024 and left the flat to his son, Petro.

Petro rented out the flat and then sold it 15 months after his father died.



Petro is entitled to a full exemption from CGT as he acquired the flat after 20 August 1996 and disposed of it within 2 years of his father's death.

## **Main residence while you own property**

You meet this requirement if, from the deceased's death until you dispose of the property, both of the following are true:

- the property is not used to produce income
- the property is the main residence of at least one of the following people
  - the person who was the spouse of the deceased immediately before the deceased's death (but not a spouse who was permanently separated from the deceased)
  - a person who has a right to occupy the property under the deceased's will
  - you, as a beneficiary, if you dispose of the property as a beneficiary.

The property can continue to be the main residence of one of the above people if they **choose to treat it as their main residence** (even if they have stopped living in it).

A property is considered to be your main residence from the time you acquire it if you move in as soon as practicable after that time.

### **Example: main residence while you own property**

Peter bought a house prior to 20 September 1985. He died in February 1993 and the house passed to his beneficiary, Bob.

Under Peter's will, Patti had a right to occupy the house. However, Patti could not move in until probate and administration of the estate was granted. During this period the house was vacant.

Probate and administration of the estate was granted in September 1993 and Patti moved in immediately.

Patti used the house as her main residence until Bob disposed of it in 2024.

Patti did not own any other property from the date of Peter's death.

As Patti moved into the house when it was first practicable to do so, it is treated as Patti's main residence from the time of Peter's death until Bob sold it.

Bob is entitled to a full main residence exemption.

## If your property is not fully exempt

If your property is not or only partially exempt from CGT, to work out your capital gain, you need to know its **cost base**.

If your property is partially exempt, you need to work out the proportion of your property that is exempt.

## Foreign residents and inherited property

When you inherit Australian residential property:

- if the former owner of the property was a foreign resident for more than 6 years at the time of their death, you can't claim the main residence exemption for the period they owned it
- if you have been a foreign resident for more than 6 years when you sell or dispose of the property, you can't claim the main residence exemption for the period you owned it
- if you have been a foreign resident for 6 years or less when you sell or dispose of the property, to claim the main residence exemption you must satisfy the **life events test**.

If you are not entitled to the main residence exemption, CGT will apply when you sell or dispose of the property.

### **Example: inherit property from a foreign resident**

Michael bought an Australian residential property in 2012 and lived in it as his main residence.

- On 1 July 2015, Michael moved to New York and rented out his Australian property.
- On 16 August 2024, Michael passed away.
- Anita, an Australian resident, inherited the property from Michael.
- Anita didn't live in the property and sold it within 2 years.

At the time of his death, Michael had been a foreign resident for more than 6 years. This means Michael was not eligible for the main residence exemption at the time of his death, despite having lived in the property from 2012 to 2015.

Anita can't claim the main residence exemption because Michael was not entitled to it. She must declare the capital gain in her tax return and pay CGT.

QC 66054

## How CGT applies to inherited assets

How CGT applies when you inherit an asset, sell it, or it passes to a foreign resident, charity or super fund.

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## **When an asset passes to a beneficiary**

A beneficiary becomes the owner of a capital gains tax (CGT) asset (inherits it), if it passes to them in any of the following ways:

- under a will (including where a court order varies that will)
- due to the laws of intestacy (when a person dies without having made a will), including when the laws of intestacy are varied by a court order
- because the asset was owned by the deceased at the time of their death and was distributed to the beneficiary instead of a sum of money, or other interest or share of the deceased estate
- under a deed of arrangement, where the beneficiary entered the arrangement
  - to settle a claim to participate in the deceased estate, and
  - the only consideration given by the beneficiary is the variation or waiver of a claim to one or more assets that formed part of the deceased estate.

Generally, there will be no CGT implications for any assets a beneficiary inherits in these ways. If the beneficiary sells or otherwise disposes of the inherited assets, a CGT event may happen unless an exemption applies, see [Disposing of inherited assets](#).

The legal personal representative (LPR) of the deceased estate disregards a capital gain or capital loss of a CGT asset where:

- it was owned by the deceased person just before they died
- the asset passes to a beneficiary of the estate.

## **Transfers under a deed of arrangement**

A deed of arrangement is a legal document that alters the distribution of a deceased person's estate. Generally, you must enter into the deed of arrangement before the LPR completes the administration of the estate.

In limited cases, an asset may pass to you under a deed of arrangement after the administration of the estate has been completed. However, you must be able to show that a court would likely consider your application for family provision, or an extension of time to make an application, at the time you entered into the deed of arrangement.

For further information on the tax consequences of an asset that passes to a beneficiary, see Taxation Ruling TR 2006/14 *Income tax: capital gains tax: consequences of creating life and remainder interests in property and of later events affecting those interests*.

### **Example: asset passes under deed of arrangement**

Maria passed away in 2015, leaving a valid will. Giovanni is appointed executor of her estate.

Maria's will states that her home should be divided among her 2 children (the beneficiaries) according to the following shares:

- Joanne - 70%
- Madeline - 30%.

Madeline is dissatisfied with how the home is distributed, so Joanne and Madeline enter into a deed of family agreement to vary the terms of the will.

Before Giovanni completes the administration of the estate, they sign the deed, which stipulates that the estate would transfer the home to them in equal shares.

The only consideration given for the transfer was the waiver of a claim to a CGT asset within the estate.

As a result, Joanne and Madeline each receive a 50% ownership interest in the home. Giovanni, acting as the executor, can disregard any capital gain or capital loss on the transfer of the ownership interests to Joanne and Madeline.

## **Foreign residents inheriting assets**

When an asset passes to a foreign resident, CGT applies to the deceased at the time of their death if:

- the asset was acquired by the deceased on or after the start of CGT (20 September 1985)
- the deceased was an Australian resident when they died
- the asset is not **taxable Australian property** in the hands of the foreign resident beneficiary.

The capital gain or loss on the asset is worked out using:

- the market value of the asset at the date of death
- the cost base of the asset at that date (for a capital gain) or reduced cost base (for a capital loss).

The capital gain or loss must be reported in the deceased's date of death tax return.

## **Charities and super funds inheriting assets**

If a CGT asset passes to a tax-advantaged entity, CGT applies to the deceased at the time of their death.

A tax-advantaged entity is either:

- a tax-exempt entity such as a church or charity
- the trustee of a
  - complying super fund
  - complying approved deposit fund
  - pooled super trust.

The capital gain or loss on the asset is worked out using:

- the market value of the asset at the date of death
- the cost base of the asset at that date (for a capital gain) or reduced cost base (for a capital loss).

The capital gain or loss must be reported in the deceased's date of death tax return.


A capital gain or loss from a testamentary gift can be disregarded if both:

- the gift is made to a deductible gift recipient
- the gift would have been income tax deductible if it had not been a testamentary gift.

## Disposing of inherited assets

When you sell an asset you inherit, and the asset is:

- not a property, the normal rules apply for **calculating your CGT**
- a **property**, such as a house, it may qualify for the main residence exemption from CGT
- a **collectable** or **personal use asset**, the normal rules apply – that is, the asset is subject to CGT unless it was acquired for less than the thresholds for these types of assets.

For a summary fact sheet with common scenarios about capital gains tax on inherited property, go to the ATO Publication Ordering Service to download [Capital gains tax on inherited property](#) .

## Cost of the asset

Unless the asset you inherit is fully exempt, you will need to know its **cost base** to work out your CGT when you sell it. Depending on the circumstances, the cost base may be based on the value of the asset:

- when the deceased acquired it
- when they died.

## Eligibility for CGT discount or indexation

Australian resident individuals, trusts and super funds can use the **CGT discount** to reduce their capital gain on assets they have owned for 12 months or more.

For the purposes of qualifying for the CGT discount, you can treat an inherited asset as though you have owned it since:

- the deceased acquired the asset, if they acquired it on or after 20 September 1985

- the deceased died, if they acquired the asset before 20 September 1985.

If the deceased died before 21 September 1999, you have the option of indexing the cost base instead of using the discount. This involves calculating your capital gain by using the asset's cost base indexed for inflation up until 21 September 1999. If you use indexation, you are taken to have acquired the asset when the deceased acquired it.

## **Winding up a deceased estate**

In administering and winding up a deceased estate, the legal personal representative (typically the executor) may need to:

- dispose of some or all of the estate's assets
- acquire an asset to satisfy a specific legacy and dispose of the asset to a beneficiary.

In these situations, CGT applies when the legal personal representative disposes of the asset. Any capital gain or loss made by the legal personal representative is subject to the normal CGT rules.

## **Unapplied capital losses**

If the deceased had any unapplied net capital losses when they died, these do not transfer to you as a beneficiary or legal personal representative.

This means you can't use any such losses to offset your net capital gains.

## **Keeping records of inherited assets**

When you inherit an asset, it is important to keep records of:

- when the asset was acquired by the deceased
- the asset's value or cost
- costs related to the asset that are incurred by you and the legal personal representative of the deceased estate.

These records will help you work out your CGT when you later sell an asset.



If the deceased acquired an asset before 20 September 1985, you'll need to know the asset's market value at the date they died.

- If the legal personal representative has had the asset valued, ask for a copy of the valuation report.
- If not, **get your own valuation**.

If the deceased acquired an asset on or after 20 September 1985, you will need records of the deceased's cost base for the asset.

QC 69713

## Calculating a partial exemption for inherited property

Calculate the exemption amount, work out main residence status, and what to do if the property was inherited previously.

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## How to calculate CGT with a partial exemption

If you do not qualify for a full exemption from capital gains tax (CGT) for an inherited property, you may be entitled to a partial exemption.

To work out the taxable portion of your capital gain or loss:

**Step 1:** Calculate your capital gain or loss from selling or disposing of the property.

**Step 2:** Multiply the amount at step 1 by the number of [non-main residence days](#).

**Step 3:** Divide the amount at step 2 by the [total days](#).

## Non-main residence days

Generally, non-main residence days is the total of:

1. The number of days, from when the deceased died until settlement of the sale of the property, that it was not the main residence of one of the following:
  - you, as a beneficiary, if you disposed of the property as a beneficiary
  - a person who was the spouse of the deceased (except if they were permanently separated)
  - an individual who had a right to occupy the property under the deceased's will.
2. The number of days during the deceased's ownership of the property that it was not their main residence.

However, you do not include item 2 (the number of non-main residence days during the deceased's ownership) if either of the following happened:

- the deceased acquired the property before 20 September 1985
- the property passed to you after 20 August 1996, and just before the deceased died, the property
  - was the deceased's main residence
  - was not being used to produce income.

A further adjustment may be required if the property was a main residence but part of it was rented out or used as a place of business.

You can use the **days calculator** to work out the number of days between dates.

## Total days

If the deceased acquired the property:

- before 20 September 1985, 'total days' is the number of days from their death until you disposed of the property
- on or after 20 September 1985, 'total days' is the number of days from when the deceased acquired the property until you disposed of it.

If you dispose of the property within 2 years of the deceased's death, you can ignore the main residence days and total days during your period of ownership.

### **Example: calculating CGT with a partial exemption**

Vicki bought a house under a contract that settled on 12 February 1997.

- Vicki used the house solely as a rental property.
- When Vicki died on 17 November 2000, the house was inherited by her beneficiary, Lesley.
- Lesley lived in the house as her main residence throughout the time she owned it.
- Lesley sold the property under a contract that settled on 27 November 2024. She made a capital gain of \$400,000.

Lesley cannot claim a full exemption from CGT because Vicki did not use the property as her main residence. However, Lesley is entitled to an exemption for the time she used the house as her main residence.

- Vicki owned the house as a rental property for 1,375 days.
- Lesley lived in the house for 8,777 days.

This is a total of 10,152 days.

Lesley works out the taxable portion of her capital gain as follows:

Capital gain × (non-main residence days ÷ total days) =  
capital gain or loss

$\$400,000 \times (1,375 \div 10,152) = \$54,176$

Lesley can use the CGT discount to calculate her capital gain, because she held the property for at least 12 months.

## Continuing main residence status

If the deceased was not living in the property at the time of their death, they (or their trustee) may have chosen to **continue treating it as their main residence**.

You may need to contact the trustee or the deceased's tax adviser to find out if this choice was made.

If the choice was made, the property can be treated as the deceased's main residence from the time they stopped living in it:

- for an indefinite period, if the property was not used to produce income after the deceased stopped living in it
- until their death or up to 6 years after they stopped living in it (whichever happens first), if the property was used to produce income after they stopped living in it.

### Example: continuing main residence status

Aldo bought a house in 1997 and lived in it. He:

- moved into a nursing home in 2020 and left the house vacant
- chose to treat the house as his main residence after he stopped living in it
- died in 2025.

The house passed to Aldo's beneficiary, Con, who used it as a rental property.

As the house was treated as Aldo's main residence immediately before his death and was not being used to produce income at that time, Con can obtain a full exemption from CGT for the period Aldo owned it.

- If Con sells it more than 2 years after Aldo's death, the capital gain for the period from Aldo's death until Con sells the house is taxable.

- If Con sells the house within 2 years of Aldo's death, he can ignore the non-main residence days and total days between Aldo's death and him selling it. This would give him a full exemption.
- If Aldo had rented out the house after he stopped living in it, the house would still be treated as his main residence until his death. This is because he would have rented it out for less than 6 years. Therefore, Con would still get an exemption for the period Aldo owned the house.

## Inheriting a previously inherited property

The formula for calculating the partial main residence exemption is adjusted if the deceased also acquired the property on or after 20 September 1985 as a beneficiary (or trustee) of a deceased estate.

The main residence exemption is calculated according to the number of days the property was the main residence of you and the previous beneficiaries.

### **Example: inheriting a property that was previously inherited**

Ahmed acquired a property after 20 September 1985 and owned it for 3,700 days.

- The property was his main residence throughout the time he owned it.
- Ahmed left the property to his son, Fayeze.

Fayeze owned the property for 2,600 days.

- It was not his main residence at any time during this period.
- When he died, Fayeze left the property to Mardianah.

Mardianah owned the property for 750 days.

- It was not her main residence at any time during that period.
- Mardianah sold the property and made a capital gain of \$400,000.

The taxable proportion of Mardianah's capital gain is:

- the number of days that the property was not a main residence
- divided by the total number of days from when Ahmed first acquired the dwelling until Mardianah sold it.

Mardianah works out her capital gain as follows:

$$\$400,000 \times ([2,600 + 750] \div [2,600 + 750 + 3,700]) = \$190,071$$

Because the combined period that Ahmed, Fayez and Mardianah owned the property was more than 12 months, Mardianah can reduce her capital gain by the 50% discount (after deducting any capital losses).

QC 66055

## Co-ownership and right of survivorship

How ownership of a property is transferred if an owner dies, and they were tenants in common or joint tenants.

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## What is right of survivorship?

When property ownership is shared, and an owner dies, how their share of the property is transferred is based on the co-ownership arrangement. This is called the right of survivorship.

## Tenants in common

Tenants in common are 2 or more people who separately own a percentage of a property. The percentages may be unequal.

Tenants in common can bequeath their share of the property to anyone.

When a tenant in common dies, their share in the property becomes an asset of their **deceased estate**. There is no right of survivorship.

Their interest in the property can be:

- transferred to a beneficiary of the estate
- sold (or otherwise disposed of) by the legal personal representative of the estate.

A tenant in common has the right to sell, mortgage or lease their share of the property. They can do this without the agreement of the other tenants.

### **Example: surviving tenant in common**

Anita and Noor bought a property as tenants in common. Anita took an 80% share and Noor took a 20% share in the property.

Some years later, Anita died. Anita's 80% share in the property became an asset of her deceased estate.

In her will, Anita identified her son Isaac as beneficiary of her estate. Therefore, her 80% share in the property is transferred to Isaac.

## Joint tenants

Joint tenants have an equal share in the ownership of an asset.

If a joint tenant dies, the other tenant (or tenants) has a right of survivorship. The deceased tenant's interest is not an asset of their

estate.

However, for capital gains tax purposes, the deceased's interest is taken to pass in equal shares to the surviving joint tenants, as if the interest is an asset of the deceased estate and the surviving joint tenants are beneficiaries.

This means if the property was the deceased's main residence, the surviving joint tenants may be entitled to the main residence exemption for the acquired interest.

### **Example: surviving joint tenant**

Laura and Damien bought a 2-bedroom apartment as joint tenants.

Some years later, Damien died. Damien's 50% interest in the property passed to Laura as the surviving joint tenant.

QC 66056

## **Extensions to the 2-year ownership period**

Check if you can extend the 2-year limit on the capital gains tax (CGT) main residence exemption for inherited property.

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## When the exemption applies

An inherited property is exempt from CGT if you dispose of it within 2 years of the deceased's death, and either:

- the deceased acquired the property before September 1985
- at the time of death, the property was the main residence of the deceased and was not being used to produce income.

## Extending the 2-year limit

The 2-year limit is extended if disposal of the property is delayed by exceptional circumstances outside your control.

PCG 2019/5 *Capital gains tax and deceased estates – the Commissioner's discretion to extend the 2-year period to dispose of dwellings acquired from a deceased estate* provides a practical administration approach to assist you in complying with relevant tax laws.

You don't have to apply for the extension. It is automatically granted if you satisfy all the following 5 conditions:

- during the first 2 years after the deceased's death, more than 12 months was spent addressing one of the following circumstances
  - the ownership of the property or the will is challenged
  - a life interest or other equitable interest given in the will delays the disposal of the property
  - the complexity of the deceased estate delays completion of its administration
  - settlement of the contract of sale of the property is delayed or falls through for reasons outside your control
  - restrictions on real estate activities imposed by a government authority in response to COVID-19
- the property was listed for sale as soon as practically possible after none of the circumstances above were an impediment, and the sale was actively managed to completion

- the sale was completed (settled) within 12 months of the property being listed for sale
- none of the following materially contributed to the delay in your sale
  - waiting for the property market to pick up before selling the property
  - delay due to refurbishment of the property to improve the sale price
  - inconvenience on the part of the trustee or beneficiary to organise the sale
  - unexplained periods of inactivity by the executor in attending to the administration of the estate
- the required extension is no more than 18 months.

You don't need an extension if either:

- the **main residence exemption** applies because an eligible person uses the property as their main residence from the date of death until the property is sold
- there is no CGT or there is a capital loss.

## **If you don't meet the conditions**

If you don't dispose of the property within 2 years and don't satisfy all the conditions for an automatic extension, you can request an extension.

When you request your extension, make sure you include the following **dwelling specific supporting information**.

You can **apply to us for an extension** if:

- the property has sold and settled (in rare circumstances we'll exercise our discretion prior to property being sold, where clarity is needed to resolve a matter)
- you are uncertain whether you meet the requirements to obtain an exemption
- you don't satisfy all the conditions for an automatic extension but you believe an extension should be allowed.

We will only grant an extension if there are exceptional circumstances outside your control.

QC 66057

## **Our commitment to you**

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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