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Division 296 tax the latest for SMSFs

Here is the latest information for Division 296 reporting for SMSFs.

Last updated 24 September 2026

Division 296 tax on large total super balances (TSBs) applies from 1 July 2026. Here's what SMSFs need to know.

- You'll need to report your in-scope member's relevant super earnings in the Self-managed superannuation fund annual return from the 2026–27 income year onwards. You'll know your member is impacted by Division 296 if the TSB value of their interest in the SMSF exceeds the large super balance threshold (LSBT) of $3 million. If it's not above the LSBT, you should speak to members to find out if they have other super interests that may result in their TSB exceeding the LSBT.
- If you do not report your member's relevant super earnings on the SMSF annual return, we'll notify you of your in-scope members and you'll need to amend your SMSF annual return to report this to us. If you have a tax agent, the notification will go to them via Online services for agents. Otherwise, we will issue correspondence to your mailing address.
- You may need to engage an actuary to work out your in-scope members relevant super earnings.
- You can choose to make a CGT adjustment election that will apply to all your CGT assets held by your SMSF at the end of 30 June 2026. The election:
  - must be made in the approved form (which will be published shortly), or by providing the same information in another format

- only applies for the purpose of working out Division 296 fund earnings and cannot be revoked
- must be done by the due date of the SMSFs annual return (or income tax return for small APRA funds) for the 2026–27 income year

Refer to our SMSF web content for further detail.

We expect to publish draft public advice and guidance for consultation later in 2026 to help funds understand and prepare for the changes.

As well as our main Division 296 web content, we also have specific information for SMSFs and on TSBs.

Stay up to date by visiting our SMSF newsroom and subscribing to our monthly newsletter.

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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.

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