

AAFICS note – selling your residence

The Australian Taxation Office (ATO) has a different definition of an Australian resident from that of the Department of Home Affairs.

In an effort to clamp down on foreign investors buying up houses/apartments in Australia, the ATO has imposed a capital gains tax (CGT) on sale of residential properties (as well as other assets) by foreign residents. There are some humanitarian exemptions to CGT relating to illness, death or divorce.

The ATO has defined an Australian resident as someone who has lived in Australia for more than 183 days, rather than a citizen or permanent resident.

If you are thinking of selling your Australian residence, and are still overseas, then you would be well advised to consult the ATO website, to find out exactly what they mean by “foreign resident” and “capital gains tax”. You may also wish to speak to an accountant about the implications for you.

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