CRYPTOCURRENCY TAX GUIDE

POST-JULY 2027 CHANGES

SHEPLEY CAPITAL

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This guide is produced by Shepley Capital for general educational purposes only. It is not tax advice, financial advice, or legal advice. The Treasury Laws Amendment (Tax Reform No. 1) Act 2026 introduces significant changes, where individual outcomes will vary materially. Always consult a registered tax agent for advice specific to your situation. Visit shepleycapital.com/tax for further resources.

Australian Crypto Tax — Post 1 July 2027

New CGT framework: cost-base indexation, 30% minimum tax & transition rules

The Treasury Laws Amendment (Tax Reform No. 1) Act 2026 represents the most significant overhaul to Australia's Capital Gains Tax system in over 25 years. For crypto investors, the change is material: the 50% CGT discount that has applied to assets held for more than 12 months is abolished for gains accrued from 1 July 2027 onward. In its place, a cost-base indexation model and a 30% minimum tax rate apply. Understanding what changes, what is protected, and what to do before the deadline is critical for every Australian crypto investor.

Topic	Cryptopedia Resource
Australia CGT Changes 2027 - Full Guide	Access Resource

1. What Changes on 1 July 2027

PRE 1 JULY 2027	POST 1 JULY 2027
50% CGT discount for assets held 12+ months	No 50% discount for gains accrued post-1 July 2027
Only 50% of net gain in assessable income	Cost-base indexation adjusts purchase price for CPI
No minimum tax rate on discounted gains	30% minimum tax rate on remaining real gain
Simple calculation: gain × 50% × marginal rate	More complex calculation with two-step process
Same rules since 1999	Applies to assets acquired from 1 July 2027 onward
SMSF: one-third discount (10% effective rate)	SMSF: outside proposed changes per Treasury commentary
Trust: 50% discount distributable to beneficiaries	Trust restructure incentive: CGT-free 2027–2030

2. How the New Calculation Works

The new system replaces the 50% discount with two distinct mechanisms: cost-base indexation (which adjusts the purchase price for inflation) and a 30% minimum tax floor on the real gain. The practical effect is that investors who hold assets for long periods in a low-inflation environment will pay significantly more tax on nominal gains than under the old system.

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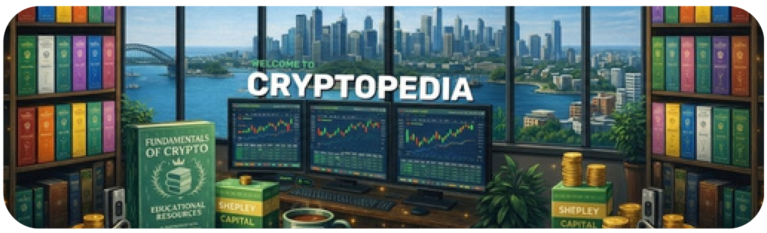

◆ Step-by-Step Calculation (Post-July 2027 Assets)

Step	Calculation	Example
1. Identify cost base	Original purchase price (AUD)	$40,000 (1 BTC purchased)
2. Apply CPI indexation	Cost base × CPI index factor at disposal date	$40,000 × 1.12 = $44,800 indexed cost base
3. Calculate indexed gain	Sale proceeds − indexed cost base	$100,000 − $44,800 = $55,200 indexed gain
4. Calculate minimum tax	30% of indexed gain	$55,200 × 30% = $16,560 minimum tax
5. Compare to marginal rate	Indexed gain × marginal tax rate	$55,200 × 37% = $20,424 (higher — use this)
6. Pay the higher of 4 or 5	Tax payable = max(minimum tax, marginal rate calc)	$20,424 in this example

COMPARED TO OLD RULES

Under old rules (pre-July 2027, asset held 12+ months): Gain: $60,000 × 50% discount = $30,000 assessable × 37% marginal rate = $11,100 tax. Under new rules (post-July 2027 asset): Indexed gain: $55,200 × 37% marginal rate = $20,424 tax. Difference: $9,324 more tax on the same underlying transaction. The impact grows with portfolio size and nominal gain magnitude.

3. Transition Provisions: What Gains Are Protected

The most important aspect of the transition is understanding which gains are protected under the old rules. The legislation generally separates gains that accrued before 1 July 2027 from gains accrued after that date; and the pre-July gains retain the 50% discount treatment.

Scenario	Tax Treatment
Asset acquired before 1 July 2027 AND sold before 1 July 2027	Entirely under old rules. 50% discount applies if held 12+ months.
Asset acquired before 1 July 2027 AND still held on 1 July 2027	Gain splits at transition date. Pre-July gain retains 50% discount. Post-July gain subject to new rules. Market valuation on 1 July 2027 required to calculate the split.
Asset acquired from 1 July 2027 onward	Entirely under new rules. No 50% discount. Cost-base indexation and 30% minimum tax apply.
SMSF holdings (per Treasury commentary)	Outside the proposed changes. One-third CGT discount expected to continue. Confirm with SMSF specialist.

CRITICAL ACTION: MARKET VALUATION ON 1 JULY 2027

If you hold crypto assets acquired before 1 July 2027 that are still held on that date, you will need a defensible market valuation of those assets as at 1 July 2027. This valuation is the reference point for separating pre-transition gains (old rules) from post-transition gains (new rules). Begin preparing your records now. Use exchange data, reputable price aggregators, and retain screenshots with timestamps.

4. Strategic Considerations Before 1 July 2027

The transition deadline creates a meaningful planning opportunity for investors with large unrealised gains in crypto assets. The core question is whether selling before 1 July 2027 and paying tax under the old rules is more advantageous than holding and paying tax under the new rules on future gains. The answer depends on individual tax rates, holding period, expected future price appreciation, and liquidity needs.

Consideration	Implication
Assets with large unrealised pre-July gains	Selling before 1 July 2027 locks in the 50% discount on all accrued gain. Model both scenarios with a tax agent.
Assets recently acquired (< 12 months before July 2027)	No 50% discount available regardless — new rules have less marginal impact on these assets.
High-conviction long-term holds (BTC, ETH)	Selling to capture old rules may be inadvisable if conviction in long-term appreciation is high. Weigh tax cost against expected price appreciation.
Trust structures	Government offering CGT-free restructure from trusts to companies between 1 July 2027 and 30 June 2030. Seek specialist advice.
SMSF contributions	Maximising concessional and non-concessional SMSF contributions before July 2027 may be advantageous given super's favourable CGT treatment.
Record keeping now	Ensure all acquisition dates, prices, and associated fees are documented for every asset you hold. The cost base calculation is only as accurate as your records.

> Tax planning for the 2027 transition is complex and highly individual. Consult a registered tax agent with cryptocurrency experience well in advance of the deadline. For educational resources on the changes, visit Shepley Capital's Tax & Regulations Cryptopedia category.

5. Record Keeping for the Transition

Accurate record keeping becomes even more critical under the new regime because tax calculations now require separating pre- and post-transition gains for each individual asset. The ATO's data-matching program covers the 2014–15 to 2025–26 income years and is expected to extend beyond that as the new rules take effect.

Essential Records to Prepare Now

- Complete list of every crypto asset held, with acquisition date and AUD purchase price for each lot
- All transaction records from every exchange used, downloaded and stored offline as CSV or PDF
- Wallet transaction histories for any self-custody holdings
- Records of any crypto-to-crypto swaps (each is a taxable disposal)
- Records of staking rewards, airdrops, and DeFi income received (date, AUD value, token type)
- Fee records for every transaction (form part of cost base)
- Market price documentation (reputable source, timestamp) for any non-AUD transactions

> KEY DATE
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> 1 July 2027 - Obtain and document market values for every crypto asset you hold on this date. This single snapshot determines the split between old-rules gains and new-rules gains for all assets acquired before the transition date. Missing this documentation will create significant compliance difficulties when those assets are disposed of.

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The Treasury Laws Amendment (Tax Reform No. 1) Act 2026 is cited as the legislative basis for the changes described. While the broad framework and transition date appear settled, implementation details may change before or after the 1 July 2027 effective date. Always verify current law with a registered tax agent.

Tax outcomes under the new framework will vary significantly based on individual circumstances including marginal tax rate, asset holding period, portfolio composition, and legal structure. The examples in this guide are illustrative only.