



# WITHHOLDING CHANGES WHEN BUYING AND SELLING PROPERTY

On 1 January 2025 the rules regarding Foreign resident capital gains withholding changed.

If you are not aware, when you sell a property you are required to obtain a clearance certificate from the Australian Taxation Office. This clearance certificate confirms you are an Australian resident and avoids funds being withheld at settlement and directed to the Australian Taxation Office.

From 1 January 2025 the following changes apply:

- the withholding rate will increase from 12.5% to 15%.
- the \$750,000 property value threshold will be removed, and the withholding rules will apply to all property sales.

The changes apply to contracts entered into on or after 1 January 2025.

Most clearance certificates will issue within a few days, but it is important to apply early because some can take up to 28 days to issue. They are valid for 12 months, so the vendor doesn't need to wait until they have signed a contract.

If you have any questions regarding the Foreign resident capital gains withholding rules and how it may affect you please contact our office.

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