Difference Between Short-Term and Long-Term Capital Gain

1) The tax amounts between short-term and long-term capital gain can vary significantly. Taxation for short-term capital gains does compare to those of your ordinary earnings.

Every income that you attain from investments held for a maximum of one year is inclusive of your chargeable income for that year, which is then taxed appropriately.

However, taxation for long-term capital gains derives from specialized thresholds for taxable income.

The capital gain tax may vary mostly from between 0-20%. Still, taxation rules for capital gains may differ based on different policies that vary in countries.

2) For financial assets, the holding period lowers to one year. Thus, if an individual holds the asset for less than a year, the gain obtained from transferring such assets is known as a short-term capital gain.

Contrary, if individuals contain security holdings, such as bonds and shares for over a year, the gain attained from transferring such an asset is known as a long-term capital gain.

3) Short-term capital gain refers to one whereby the buyer holds the profit obtained from selling the capital asset for less than 3 years.

Contrary, when the buyer holds the profit from the transferred asset for more than 3 years, the gain obtained here is known as a long-term capital gain.

4) By transferring an immovable item, if the holding period before the transfer is less than 2 years, the gain from such a transfer is known as a short-term capital gain.

If the holding of the same asset is for time-length that exceeds 2 years, the gain is known as a long-term capital gain.

Source and more details: https://askanydifference.com/difference-between-short-term-and-long-term-capital-gain/