

2015–16 LAND TAX IN THE ACT

Land tax calculation, exemption,
responsibilities

WHAT IS LAND TAX?

Land tax is a general revenue measure that is used by the Government to provide a range of essential services to the ACT community.

WHO PAYS LAND TAX?

Generally, land tax applies to all residential properties that are rented or owned by a trust or a corporation.

If you own a residential property that is rented, you are liable for land tax on that property. This also applies to boarding houses and multiple dwellings, including dual occupancies and granny flats that are rented. Rent can include cash, services or any other valuable consideration earned in respect of a property for which any form of tenancy arrangement exists.

Residential properties owned by a trust or a corporation are also liable for land tax, even if they are not rented.

EXEMPTIONS

Residential land used as a retirement village, nursing home, or owned by a religious institution is exempt from land tax. Other exemptions from land tax include land used for rural purposes, broad-acre subdivision, residential land owned by a trustee under a will of a deceased person and occupied by a life tenant, and residential land owned by a not-for-profit housing corporation.

Exemption from land tax on residential land owned by a building or land development corporation can apply for two years from the first quarter after the date of ownership if used to construct new residential premises that are to be sold when

finished.

An exemption on compassionate grounds may be available for up to one year on a residential property that is rented where the Commissioner for ACT Revenue is satisfied that the owner (a natural person) is temporarily absent because of a compelling compassionate reason. You must apply in writing to the Commissioner for consideration of your case.

RESPONSIBILITIES OF OWNERS AND AGENTS

You are required to advise the Commissioner for ACT Revenue within 30 days if a residential property you purchase, or have an interest in, is rented or becomes rented, or is owned by an individual as trustee. You are also required to advise the Commissioner of any future changes in circumstances that may render any such property liable for land tax within 30 days of the change occurring. Failure to provide the required information is a tax default and you may incur interest and penalties in addition to the primary tax. Agents are required to fulfil any undischarged land tax obligations in respect of a taxpayer's property. Any information regarding land tax liability must be notified in writing.

LAND TAX LIABILITY

Land tax liability is assessed quarterly for all properties and is based on the status of a property on 1 July, 1 October, 1 January and 1 April (liability dates). Land tax is assessed for a whole quarter and there is no daily pro-rata of land tax liability within a quarter.

Residential property that has been rented but is temporarily vacant on a liability date will continue to be liable unless firstly, the vacancy continues for the whole quarter and secondly, the owner notifies the Commissioner for ACT Revenue in writing that the property has not been rented in that quarter.

LAND TAX CALCULATION

Land tax is assessed quarterly for all properties and for 2015-16 is based on a fixed charge (FC) of \$945 and

marginal rates that are applied to the property AUV (average of the 2013, 2014 and 2015 unimproved land values). The land tax calculation for standard properties is:

$(FC + (AUV \times \text{rate})) \times \text{no. of days in the quarter}$
$\text{no. days in the year}$

The AUV for a unit is assessed on the entire Unit Title Plan AUV which is multiplied by the individual unit entitlement (UE). The land tax calculation for units is:

$(FC + (AUV \times UE \times \text{rate})) \times \text{no. of days in the quarter}$
$\text{no. days in the year}$

PAYMENT OF LAND TAX

The calculation of the amount payable for land tax and the due date for payment are detailed on your quarterly Land Tax Assessment Notice. The same staggered billing arrangements that apply to rates also apply to land tax, with assessments having different issue dates depending on the suburb in which the property is located. Details of the payment methods and the various payment centres are listed on the back of your quarterly Land Tax Assessment Notice.

LAND TAX FOR 2014-15

Fixed Charge	\$945
Marginal rates that apply to property AUV:	
\$1 - \$75,000	0.41%
\$75,001 - \$150,000	0.48%
\$150,001 - \$275,000	0.61%
\$275,001 and above	1.23%

WHAT IF YOU DON'T PAY?

If payment of land tax is not received by the due date you will be liable for interest, charged and compounding on a monthly basis, on any amount that remains unpaid. Compounding interest charges, which may be subject to change during the year, are calculated and imposed on unpaid amounts on the 16th day of each month.

REVIEW MECHANISMS

A property owner who is dissatisfied with an assessment of land tax may lodge, within 60 days from the date of notice, a written objection with the Commissioner for ACT Revenue.

If you are dissatisfied with the unimproved land value of your property, you can only object to your rates assessment. Any adjustment to the unimproved land value will lead to amended assessments of any valuation-based charges.

Lodging an objection does not remove the liability to pay a land tax assessment by the due date. Interest will accrue on any overdue charges.

COMMERCIAL PROPERTIES

Commercial properties have not been subject to land tax from 1 July 2012.

ENQUIRIES

Further information about matters outlined in this pamphlet can be obtained from:

Telephone	6207 0049, 6207 0116, 6207 0122
Facsimile	6207 0036
Email	RevenueAccounts@act.gov.au
Internet	www.revenue.act.gov.au
Correspondence	PO Box 252 CIVIC SQUARE ACT 2608

CUSTOMER FEEDBACK

The ACT Revenue Office welcomes your comments and suggestions for improvement to our services and the opportunity to address any complaints or concerns you may have. Written feedback can be provided to the above postal address or online at:

<http://www.revenue.act.gov.au/functions/feedback-form>

OTHER GOVERNMENT SERVICES

For any other information on ACT Government services, please visit: <http://www.canberraconnect.com.au> or contact Access Canberra on 13 22 81.

REVENUES AND EXPENSES

The revenue collected from land tax, together with all other revenues, is used to provide a range of community services. Due to the ACT's unique city-state character, there is no distinction between municipal and territorial finances with all revenues and expenditures accounted for in a single ACT Budget. For detailed information about revenues and expenditures, please refer to the 2015-16 ACT Budget Papers which are available for viewing at any ACT public library or on the Internet at: <http://www.act.gov.au>

ACCESSIBILITY

The ACT Government is committed to making its information, services, events and venues, accessible to as many people as possible.

If you have difficulty reading a standard printed document and would like to read this publication in an alternative format, the ACT Revenue Office website at <http://www.revenue.act.gov.au> provides this information in large print.

If English is not your first language and you require the Translating and Interpreting Service (TIS National) - please telephone 131 450.

If you are deaf or hearing impaired and require the TTY Typewriter Service - please telephone 133 677 (TTY / Voice) or visit <http://www.relayservice.com.au>.