



REVENUE CIRCULAR DAA014.2
New and Substantially Renovated Homes <i>Duties Act 1999 and First Home Owner Grant Act 2000</i>
Issue Date: 31 December 2015
Status: Current – Effective 1 January 2016 last updated 7 June 2017
Previous Circular: DAA014.1

Preamble

1. This circular provides guidance on how the ACT Revenue Office interprets the term ‘new home’ for the purposes of the First Home Owner Grant (FHOG) and Home Buyer Concession (HBCS) Scheme, and the term ‘substantially renovated home’ for the purposes of the FHOG.

Circular

First Home Owner Grant

2. The FHOG encourages home ownership by providing assistance to eligible people for the purchase or construction of their first home.
3. The FHOG is targeted to people buying a new house, or a home which has undergone substantial renovations. The purpose of this policy is to promote the construction industry within the ACT.

Home Buyer Concession

4. The HBCS is a concessional duty scheme administered by the ACT Revenue Office. The HBCS assists people purchasing residential homes or vacant land by charging duty at a concessional rate.
5. From 7 June 2017, the HBCS will cease to apply to substantially renovated homes in order to simplify administration of the scheme. The HBCS will continue to be available for new homes and for vacant residential land.

New homes (FHOG and HBCS)

6. A new home is defined as a home that has not been previously occupied or sold as a place of residence. The ACT Revenue Office considers new homes under a two part test, where both steps must be satisfied:
 - a) The home must not have been previously occupied.
 - b) The home must not have been previously sold as a place of residence.

7. If the home has never been occupied as a place of residence, but it has been sold one or more times, the first part of the test is not satisfied and the home is not a new home. A transaction to purchase the property will not be eligible for the FHOG or HBCS.

Similarly, if the house has not previously been sold as a place of residence, but has previously been occupied, the home is ineligible to be treated as a new home. Occupation includes any short-term occupation, regardless of the length of occupation or the intended length of occupation.

Required documents

8. The following documents are required records for all FHOG or HBCS applicants in relation to a new home:
 - the FHOG or HBCS application form;
 - the dated and signed Contract for Sale;
 - a copy of the Certificate of Occupancy and Use issued by the Environment, Planning and Sustainable Development Directorate – if available at time of application.

The Commissioner may request further evidence if it is required to determine an applicant's eligibility for the FHOG or HBCS.

Substantially renovated homes (FHOG only)

9. A substantially renovated home is a home that has had substantial renovations, and as renovated, has not been previously occupied or has not been sold as a place of residence.

Applicants who seek to purchase property and then substantially renovate it are not eligible for the FHOG. The property must be either new or substantially renovated prior to its sale by the vendor.

Substantial renovations

10. Substantial renovations of a building are renovations in which all, or substantially all, of the building is removed or replaced. This includes removal or replacement of all, or a substantial part, of the structural and non-structural components of the dwelling.

The renovations must have affected the building as a whole and resulted in the removal or replacement of all, or substantially all, of the previous building. For renovations to have been substantial, they must have affected most of the rooms in the previous building.

The renovation of only one part of a building, without any work on the remaining parts of the building (for example, the renovation of only one bedroom in a four-bedroom house), would not constitute substantial renovations.

Similarly, the removal and replacement of a kitchen and bathroom with little else having been done to the building, apart from minor repair work, would not be substantial renovations. Cosmetic work only does not constitute substantial renovations.

11. The table below provides examples of substantial (structural) and non-substantial (cosmetic) renovations. These examples should be considered in their totality and not in isolation. For example, altering brickwork to replace windows is not a substantial renovation in isolation, but in conjunction with replacement of walls, foundations and roofs, may indicate significant structural building work has occurred on the property.

Substantial renovations (structural and non-structural building work)	Non-substantial renovations (cosmetic work)
<ul style="list-style-type: none"> • Replacing or altering foundations • Replacing or altering floors or supporting walls • Replacing or altering non-supporting walls (interior and exterior) • Lifting or modification of roofs • Altering brickwork to replace existing windows and doors 	<ul style="list-style-type: none"> • Painting • Plastering or rendering an entire wall or walls • Sanding floors • Plumbing (e.g. replacing pipes) • Replacing light fittings • Replacing curtains and carpets • Repairing electrical wiring

12. For the property to be eligible for the FHOG, no person must have occupied the home for the period:
- beginning on the date the Certificate of Occupancy and Use was issued for the home; and
 - ending on the first of the following:
 - the date the Contract for Sale is executed; or
 - the date the home is transferred from the vendor.

Required documents

13. The following documents are required records for all FHOG applicants in relation to a substantially renovated home:
- the FHOG or HBCS application form;
 - the dated and signed Contract for Sale;
 - a copy of the Certificate of Occupancy and Use issued by the Environment, Planning and Sustainable Development Directorate.

The Commissioner may request further evidence if it is required to determine an applicant's eligibility for the FHOG.

False or misleading information

14. Applicants must ensure that the information in their applications is information they know to be true and correct in every particular. Applications are made on a self-assessment basis.

Applicants who receive a grant or concession, to which they are not entitled, may be subject to penalties and interest, in addition to repaying the grant or the concession amount.

Information supplied by applicants is compliance-checked after the grant or concession has been paid.

Criminal penalties

15. Giving false or misleading information is a serious offence. For details of the serious criminal offences of making, giving or producing false or misleading statements, information or documents, see the *Criminal Code 2002*.

SIGNED

Kim Salisbury
 Commissioner for ACT Revenue
 23 December 2015