



COMMISSIONER'S PRACTICE

LT 12.0

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LAND TAX - EXEMPTION FOR LAND OWNED BY A CHARITABLE BODY

Commissioner's Practice History

Commissioner's Practice	Issued	Dates of effect	
		From	To
LT 12.0	29 October 2003	29 October 2003	2 June 2015

This Commissioner's practice addresses the circumstances when the Commissioner will grant exemptions from land tax on land owned by public charitable or benevolent institutions.

Background

Section 37 of the *Land Tax Assessment Act 2002* ("the Act") provides that land is exempt for an assessment year if:

- at midnight on 30 June in the previous financial year, it is owned by, vested in, or held in trust for a public charitable or benevolent institution; and
- it is used solely for the public charitable or benevolent purposes for which the institution was established.

The meaning of charitable and benevolent are not defined within the Act, but have been determined by case law.

Public charitable bodies provide for the relief of poverty, the relief of the needs of older people, the relief of sickness or distress, the advancement of religions, the advancement of education or other purposes beneficial to the community.

A public benevolent institution provides for the direct relief of poverty, sickness, suffering, distress, misfortune, disability or helplessness.

Commissioner's Practice

1. In considering an application for exemption and reassessment of land tax, the Commissioner will consider the following criteria when making his determination.

1.1 Charitable/benevolent purposes

An institution must operate exclusively for public charitable or public benevolent purposes. However, a public charitable or public benevolent institution would not cease to be charitable merely because it engages incidentally in non-charitable activities.

1.2 Land usage

The land must be used solely for the objects of the public charitable or public benevolent institution.

1.3 Non-profit

Income generated by the public charitable or public benevolent institution must be used solely for charitable purposes. No monies may be distributed or paid to members except in good faith for the provision of goods and/or services.

1.4 Winding up

Should the institution be wound up, assets may not be distributed to members. However, they may be transferred to another charitable or benevolent institution having similar objects.

2. Applications for exemption and reassessment should include:
 - 2.1 a copy of the institution's constitution or articles of association;
 - 2.2 a description of the day-to-day activities of the institution; and
 - 2.3 details of the usage of the land, and how this usage furthers the attainment of the aims of the body.
3. Documentation supporting the application, for example, copies of exemption certificates, from any taxing or rating authority attesting to the charitable status of the body may assist the Commissioner and should accompany any application.
4. When considered necessary, the Commissioner will inspect properties and/or seek documentary evidence in order to be satisfied that an exemption from land tax is applicable.

Date of Effect

This Commissioner's practice takes effect from 29 October 2003.

Bill Sullivan
COMMISSIONER OF STATE REVENUE

29 October 2003

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