



COMMISSIONER'S PRACTICE LT 13.0

SUPERSEDED

LAND TAX - EXEMPTION FOR LAND OWNED AND USED BY A NON-PROFIT ORGANISATION

Commissioner's Practice History

Commissioner's Practice	Issued	Dates of effect	
		From	To
LT 13.0	29 October 2003	29 October 2003	25 May 2017

This Commissioner's practice addresses the circumstances when the Commissioner will grant an exemption or a concession on land owned by various non-profit organisations.

Background

Section 38 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 was owned by, vested in, or held in trust for a sports association; and
- it is used as a site for providing facilities (which may include facilities for the sale of liquor) that are necessary for or conducive to the attainment of the sporting objects of the association.

Land is also 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 non-profit association, except a sports association; and
- it is used solely as a site for providing facilities (which may include facilities for the sale of liquor) that are necessary for or conducive to the attainment of the objects of the association, and are not available for use on a paying basis by anyone except members of the association and their guests. If land owned by, vested in, or held in trust for a non-profit association

except a sports association, is not exempt because it is not used solely as described, the land is to be taxed at the concessional rate of 50% of the rate imposed by the *Land Tax Act 2002* if at least half of the area equal to the sum of the area of the land and the area of any part of a building on the land that is capable of being let is used as described.

Commissioner's Practice

1. In considering an application for exemption and reassessment for a non-profit association or sports association, the Commissioner will consider the following criteria when making his determination:

- 1.1 Land usage

The land must be used for the objects of the club, society or association. The proportion of the land used for these objects will determine whether an exemption or concession is applicable.

- 1.2 Non-profit

Income generated by the club, society or association must be used solely for association purposes. No monies may be distributed or paid to members except in good faith for the provision of goods or services.

- 1.3 Winding up

Should the organisation be wound up, assets may not be distributed to members. However, they may be transferred to another club, society or association having similar objects.

2. Applications for exemption and reassessment should include:
 - 2.1 a copy of the organisation's constitution or articles of association;
 - 2.2 a description of the day-to-day activities of the organisation; and
 - 2.3 details of the usage of the land and how this usage furthers the attainment of the objects or aims of the organisation.
3. Where the land is used for multiple uses, or not all of the land is used for the objects of the organisation, a sketch of the property will be required detailing the respective uses.
4. A concession is not applicable if the portion of the land used for club, society or association purposes is:
 - 4.1 less than 50 percent of the area equal to the sum of the area of land;
 - 4.2 vacant; or
 - 4.3 not used by the club, society or association for providing facilities necessary for or conducive to the attainment of the objects of the club, society or association.

5. When considered necessary, the Commissioner will inspect properties and/or seek documentary evidence in order to be satisfied that an exemption or concession 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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