



COMMISSIONER'S PRACTICE LT 16.0

LAND TAX - CONCESSION FOR LAND USED FOR A CARAVAN PARK, PARK HOME PARK, OR CAMPING GROUND

Commissioner's Practice History

| Commissioner's Practice | Issued | Dates of effect | |
|-------------------------|-------------------|-------------------|--------------|
| | | From | To |
| LT 16.0 | 16 September 2005 | 16 September 2005 | 30 June 2010 |

1. This Commissioner's practice details the circumstances when a 50% land tax concession will generally be granted on land used for a caravan park, park home park or camping ground.

Background

2. Section 39B of the *Land Tax Assessment Act 2002* ("the Act") provides that land tax is payable at 50% of the rate imposed for an assessment year by the *Land Tax Act 2002*, if the land is used at midnight on 30 June preceding the year of assessment as "dwelling park land" as defined in section 39A of the Act.
3. Section 39A(2) of the Act provides that land is "dwelling park land" if:
 - (a) the land is, or is part of, a caravan park or camping ground;
 - (b) the caravan park or camping ground is:
 - (i) operated, or required to be operated, under a licence issued under the *Caravan Park and Camping Grounds Act 1995*; or
 - (ii) operated by a local government on land that is not owned by, or vested in, the local government; and
 - (c) the land is used solely for dwelling park purposes.

4. Section 39A(1) of the Act defines the following:
 - “dwelling park land” has the meaning given by section 39A(2);
 - “dwelling park purposes” means -
 - (a) the purpose of use as sites on which caravans, caravans and camps, or park homes, are or may be situated for habitation; and
 - (b) any related purpose or purposes;
 - “excluded purpose” means the purpose of use -
 - (a) as a hotel, motel, hostel, lodging house or boarding house; or
 - (b) as premises not already mentioned in paragraph (a) that are the subject of a licence under the *Liquor Licensing Act 1988*;
 - “related purpose” means a purpose, other than an excluded purpose, determined by the Commissioner, or prescribed, to be ancillary to the purpose of use as sites on which caravans, caravans and camps, or park homes, are or may be situated for habitation.
5. Section 39A(4) of the Act provides that the owner of the land may apply to the Commissioner in the approved form for a determination:
 - (a) that the land is dwelling park land and was dwelling park land as at midnight on 30 June preceding the application; or
 - (b) that the land is dwelling park land.
6. Section 39A(5) of the Act provides that without limiting subsection (4), an application may be made for a determination as to land that constitutes a portion of a lot.

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7. In considering an application for the concession, the Commissioner will generally consider land used for the purposes described in paragraph 8 below as a “related purpose” when making his determination, where:
 - 7.1 the facilities are integral to the operation of the dwelling park and located on the lot or parcel of land used for the dwelling park; and
 - 7.2 are provided for the use or benefit of the dwelling park inhabitants.
8. Examples of land used for a “related purpose” include land used for:
 - 8.1 laundries;
 - 8.2 washrooms;
 - 8.3 kitchens;

- 8.4 ablution blocks;
 - 8.5 recreational facilities, such as tennis courts, swimming pools, television rooms;
 - 8.6 playground areas;
 - 8.7 reception and office facilities;
 - 8.8 park manager's residence;
 - 8.9 park grounds and barbecue areas;
 - 8.10 visitors vehicle parking areas; and
 - 8.11 workshops.
9. The Commissioner will generally consider the following as not being a "related purpose":
- 9.1 Land used for the purpose of conducting a commercial activity, other than the dwelling park.
10. When the Commissioner has made his determination, he will assess the unimproved value of the "dwelling park land" portion subject to the 50% concession, as being the amount that bears to the unimproved value of the whole of the land in the same proportion as the area of the "dwelling park land" (including the areas of land used for related purposes) portion bears to the area of the whole of the land.
- For example, where the area of "dwelling park land" (including areas of land used for related purposes) is 6,000m², the area of the whole of the land on which the dwelling park is located is 10,000m² with an unimproved value of \$400,000, the unimproved value of the "dwelling park land" subject to the 50% concession is calculated as follows:

$$10,000\text{m}^2 \times \frac{6,000\text{m}^2}{10,000\text{m}^2} \times \$400,000 = \$240,000$$

The proportion of the land that is not used for dwelling park or related purposes is fully taxable.

- 11. Where considered necessary, the Commissioner will inspect properties and/or seek documentary evidence in order to make a determination.

Date of Effect

This Commissioner's practice takes effect from 16 September 2005.

Bill Sullivan
 COMMISSIONER OF STATE REVENUE

16 September 2005