



COMMISSIONER'S PRACTICE LT 6.1

LAND TAX - EXEMPTIONS DURING RENOVATION OF A PRIVATE RESIDENCE

Commissioner's Practice History

Commissioner's Practice	Issued	Dates of effect	
		From	To
LT 6.0	29 October 2003	29 October 2003	24 November 2005
LT 6.1	25 November 2005	25 November 2005	29 October 2015

This Commissioner's practice addresses the circumstances when an exemption from land tax will be granted for unoccupied private residential property (as defined in the Glossary of the *Land Tax Assessment Act 2002* ("the Act")) during renovation.

Background

Section 25 of the Act provides for an exemption from land tax for private residential property (other than property held in trust) if:

- the property is owned by an individual;
- at midnight on 30 June in the financial year before the assessment year, the private residence that forms part of the property was unoccupied, but only because the individual had ceased occupation, or not taken up occupation, to enable the private residence to be refurbished;
- the individual takes up occupation of the private residence during the assessment year, and is the first occupant of the private residence since the refurbishment; and
- no rent or other income was derived from the property by anyone in respect of the period between the beginning of the assessment year and the time when the property was reoccupied.

However, the property is not exempt if any other private residential property owned by the same individual is exempt for the assessment year under another provision of Division 2 of Part 3 of the Act, as a result of its use by the same individual as his or her primary residence as defined in clause 1 of the Glossary of the Act.

Commissioner's Practice

1. An application for exemption will only be considered once the renovation is complete and the owner has occupied the residence.
2. However, where an application for an exemption under these provisions is received from an owner who does not immediately qualify for the exemption, the Commissioner will defer a demand for payment of the land tax assessment, providing:
 - the land tax assessment is for a single lot;
 - none of the owners are entitled to a residential exemption on any other land for the year of assessment;
 - renovation of the residence has commenced; and
 - the owners intend to occupy the residence on or before midnight on the following 30 June.
3. Upon occupying the residence following the renovation, the owners are required to notify the Commissioner and finalise their application for exemption. Should the Commissioner not be notified on or before midnight on the following 30 June that the owners are now in residence, and taxes remain payable, payment of the land tax assessment will become due.
4. Where considered necessary, the Commissioner will inspect properties and/or seek documentary evidence to verify completion of renovation and owner occupation.

Date of Effect

This Commissioner's practice takes effect from 25 November 2005.

Bill Sullivan
COMMISSIONER OF STATE REVENUE

25 November 2005