



Exemption for Land Owned and Used by a Non-profit or Sports Association

This Commissioner's practice outlines when an exemption or concession from land tax will be granted for land owned by non-profit or sports associations.

Background

Section 38 of the *Land Tax Assessment Act 2002* (LTA 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 non-profit association, other than a sports association, and used solely as a site for providing facilities 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 or
- a sports association and used as a site for providing facilities that are necessary for or conducive to the attainment of the sporting objects of the association.

Land owned by, vested in, or held in trust for a non-profit association that is not used solely as described above is not exempt. However, section 38(3) of the LTA Act provides the land will be taxed at a 50 per cent concessional rate if at least half 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.

As defined in the Glossary to the LTA Act:

- *non-profit association* means a society, club or association that is not carried on for the purpose of profit or gain to its individual members and
- *sports association* means a non-profit association whose principal object is to provide facilities for its members to engage in any form of sport.

Commissioner's Practice

1. In respect of land for which an application for exemption or concession is made:
 - 1.1 any income generated by the non-profit or sports association must be used solely for association purposes, and no monies may be distributed or paid to members except in good faith for the provision of goods or services and
 - 1.2 should the organisation be wound up, assets may not be distributed to members but may be transferred to another club, society or association having similar objects.
2. Application must be made on form [FLT38 'Exemption or Concession Application: Non-profit or Sports Associations'](#) and should include:
 - 2.1 a copy of the association's constitution or articles of association
 - 2.2 a description of the day-to-day activities of the association and

- 2.3 details of the usage of the land and how this usage furthers the attainment of the objects or aims of the association. This may include providing a sketch detailing the respective uses of the property.
3. The Commissioner may inspect properties and/or seek documentary evidence in order to be satisfied that an exemption or concession is applicable.

Date of Effect

This Commissioner's practice takes effect from 26 May 2017.

Nicki Godecke
 COMMISSIONER OF STATE REVENUE

26 May 2017

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
LT 13.1	26 May 2017	26 May 2017	Current