



Exemption for Land used for a Caravan Park, Park Home Park or Camping Ground

This Commissioner's practice details the circumstances when a land tax exemption will generally be granted on land used for a caravan park, park home park or camping ground for assessment years commencing on or after 1 July 2010. Commissioner's Practice LT 16.0 continues to apply for previous assessment years.

Background

Section 39B of the *Land Tax Assessment Act 2002* (the Act) provides that land is exempt for an assessment year 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.

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 and
- (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.

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.

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 that the land is dwelling park land.

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.

Commissioner's Practice

1. In considering an application for exemption, the Commissioner will generally consider land used for the purposes described in paragraph 2 below as a 'related purpose' when making a determination, where:
 - 1.1 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
 - 1.2 are provided for the use or benefit of the dwelling park inhabitants.
2. Examples of land used for a 'related purpose' include land used for:
 - 2.1 laundries
 - 2.2 washrooms
 - 2.3 kitchens
 - 2.4 ablution blocks
 - 2.5 recreational facilities, such as tennis courts, swimming pools, television rooms
 - 2.6 playground areas
 - 2.7 reception and office facilities
 - 2.8 park manager's residence
 - 2.9 park grounds and barbecue areas
 - 2.10 visitors vehicle parking areas and
 - 2.11 workshops.
3. The Commissioner will generally not consider the following to be a 'related purpose':
 - 3.1 land used for the purpose of conducting a commercial activity, other than the dwelling park and
 - 3.2 land used as a site on which chalets or cabins are situated.
4. When the Commissioner has made his determination that only part of a lot is *dwelling park land*, the Commissioner will assess the unimproved value of the *dwelling park land* portion subject to the exemption 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 \$800,000, the unimproved value of the *dwelling park land* subject to the exemption is calculated as follows:

$$\frac{6,000\text{m}^2}{10,000\text{m}^2} \times \$800,000 = \$480,000$$

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

5. 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 1 July 2010.

Bill Sullivan
COMMISSIONER OF STATE REVENUE

10 August 2010

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
LT 16.1	10 August 2010	1 July 2010	21 February 2023