



Land Tax 2009

What is land tax?

Land tax is a tax on land you own in NSW as at midnight on 31 December of the previous year. Land includes:

- vacant land, including vacant rural land
- land where a house, residential unit or flat has been built
- holiday homes
- company title units
- residential, commercial or industrial units including car spaces
- commercial properties, including factories, shops and warehouses
- land leased from State or Local government.

Who needs to pay land tax?

If you own any property that is not your principal place of residence (your home), including a holiday house or unit, you may be liable to pay land tax. This includes property that does not earn any income.

Certain lessees from the Crown or a local council are deemed to be owners of the leased land and are liable to pay land tax.

The amount of land tax payable depends on the combined value of any taxable land you own or have an interest in, excluding exempt land, that is above the threshold. The value of taxable land does not include any structures or improvements on the land such as a house. Any land you own outside of NSW is not subject to land tax in NSW.

What land is exempt?

Principal place of residence

Your principal place of residence is generally exempt from land tax. You can usually only claim an exemption for a principal place of residence on one property.

If you use your land as your principal place of residence and for non-residential purposes, for example, if you run a business on your land, you may be eligible for a reduction in land tax for the proportion used as your residence.

If a company is an owner or part owner, they are not entitled to an exemption for a principal place of residence.



Land intended as the owners' principal place of residence, provided you do not own another property which is currently your exempt principal place of residence. You may be eligible for an exemption if you:

- a) have purchased unoccupied land where you intend to build your principal place of residence (your home), or
- b) are renovating an existing home that you intend to occupy as your principal place of residence.

Concession for sale of former residence

If you have recently purchased a house that you have moved into, or intend to move into, but are still trying to sell your former home you may be able to claim an exemption for both properties. To qualify for this concession, strict timeframes apply. If the properties are rented, this concession will not apply.

Other exemptions include:

- land that is zoned rural or non-urban and used for primary production is exempt from land tax. For all other land the dominant use must be primary production to qualify for the exemption.
- land used and occupied primarily for boarding houses anywhere in NSW, or certain property used for low cost accommodation within a five kilometre radius of the Sydney GPO.
- retirement villages, aged care establishments and nursing homes
- religious and charitable institutions.

Read more about qualifying for a land tax exemption or concession at www.osr.nsw.gov.au

What should you do if you think you are liable for land tax?

If you own property other than your principal place of residence and you think you might be liable for land tax, you need to submit a registration form. To submit a form you can:

- complete your registration form online at www.osr.nsw.gov.au
- download and return a registration form at www.osr.nsw.gov.au
- contact the Office of State Revenue (OSR).

This form should be submitted to the OSR by 31 March 2009.

Note: if you have submitted a registration form in 2008 or in a prior year and your land holdings have not changed, you do not need to submit another registration form.

You will only need to contact OSR if your land ownership, usage (including subdivisions) or address details have changed. You can notify us of changes to your contact, address, land ownership or exemption details by using the online service at www.osr.nsw.gov.au or contacting OSR.

What happens next?

Once we receive your registration form, we will determine your land tax liability. We will then mail you a notice of assessment. This notice will list all the land you own including taxable and exempt land. The notice will also show how much land tax you need to pay.

How is the value of your land determined?

The Valuer General values all land in NSW annually and provides these values to OSR for land tax purposes. Values are determined as at 1 July, preceding each land tax year.

Strata unit valuations

For strata units, the land value for each individual strata lot is calculated on a proportional basis using the unit entitlement for each lot and the aggregate for the strata scheme.

More information

Landowners can find out more, or request a land valuation brochure and a general valuation sales report by calling the Department of Lands toll free on 1800 110 038.

Read more about land valuations at www.lands.nsw.gov.au/valuation or call toll free on 1800 110 038.

Average values

Since 2007, the value used to determine your land tax liability will generally be the average of the land value for the current tax year and the land values for the previous two years. Where a parcel of land was only recently created (eg by subdivision or amalgamation) the average value will be based only on the land values for those taxing dates when the newly created land item did exist.

What if I disagree with the land value?

Landowners are entitled to submit an objection with the Department of Lands within 60 days from the date of issue of a land tax assessment.

Objections must be made using a valuation objection form or by using the Department of Lands online objection facility at www.lands.nsw.gov.au/valuation.

Landowners can obtain more information on land values or request a valuation objection kit which contains an objection guide, a general valuation sales report for the locality and a valuation objection form from the Department of Lands by calling toll free on 1800 110 038. Visit www.lands.nsw.gov.au/valuation for more information.

How is land tax calculated?

Land tax is calculated on the combined value of all the taxable land you own. The land tax threshold for 2009 is \$368 000. This means your land tax assessment is calculated on the combined value of all the taxable land you own above this threshold. The amount of tax is \$100 plus 1.6 per cent of the land value between the threshold and the premium rate threshold (\$2 250 000) and 2 per cent thereafter.

Note: where land is owned in partnership, one threshold applies regardless of the number of owners. That is, where land is owned in partnership, the threshold would still be \$368 000.

An individual's interests in a partnership may also be assessable if that owner holds other land individually or with other partnerships.

If the combined value of your land is equal to or below the threshold, no land tax is payable.

MORE INFORMATION



www.osr.nsw.gov.au



1300 139 816*



1300 363 806



GPO Box 4269
Sydney NSW 2001
DX 456 Sydney



Phone enquiries
8.30 am – 5.00 pm, Mon. to Fri.

Counter services
8.30 am – 4.30 pm, Mon. to Fri.

*Interstate clients please call (02) 9689 6200.
Help in community languages is available.

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General example

Total taxable value of land	Rate of land tax payable	Example	Land tax payable
\$470 000	1.6 cents for each \$1	Total value of land =	\$470 000
		Threshold	\$368 000
		value of land above the land tax threshold	\$102 000
		rate of land tax payable	x 1.6% (plus \$100)
			\$1 732 (\$1 632 + \$100)

\$3 000 000 taxable value of land	Rate of land tax payable	Land tax payable
≤ \$368 000	–	–
\$368 001 to \$2 250 000	1.6% (plus \$100)	\$30 212
\$2 250 000 to \$3 000 000	2%	\$15 000
Total land tax payable		\$45 212

Non-concessional companies and special trusts example

Total taxable value of land	Rate of land tax payable	Example	Land tax payable
All non-exempt land	1.6 cents for each \$1	Total land value = \$180 000 Land tax rate 1.6 cents per \$1 \$180 000 x 1.6%	\$2 880

Online services

Use our land tax online services to:

- view the properties you own
- view your land values
- tell us if you have purchased or sold a property
- request an exemption
- update your postal address or contact details.

Download the following forms in pdf format:

- registration and variation forms
- applications for clearance certificates
- applications for valuation certificates.

Download exemption forms for the following exemptions:

- primary production
- deceased estates
- boarding houses
- low cost accommodation
- land owned by a society, club or association
- land owned by a charitable or educational institution or a religious society
- residential parks
- partial principal place of residence (9C and 9D)
- intended principal place of residence.

Other online services include:

- access to revenue rulings
- links to land tax legislation
- online applications for land tax clearance certificates
- land tax calculator
- registration to attend land tax seminars.