



NSW Home Builders Bonus

Processing an off the plan purchase of a new home where construction has commenced – Section 87V Post-construction duty reduction

The NSW Home Builders Bonus (HBB) scheme was introduced to stimulate the construction of new homes in NSW. HBB provides exemptions and concessions for certain purchases of new homes, homes off the plan and vacant land on which a new home will be built.

Agreements for sale or transfers of vacant land or a new home are eligible for consideration under HBB where they were entered into on or after 1 July 2010 and before 1 July 2012.

The value of vacant land must not exceed \$400 000 and new homes, including purchases off the plan, must not exceed \$600 000.

All HBB applications (including off the plan) must be processed within three months of the date of first execution of the agreement for sale of land or the transfer (where there is no agreement).

HBB applications in relation to an off the plan purchase of a new home with a dutiable value not exceeding \$600 000 and where construction has commenced (25 per cent duty reduction applies) must be lodged with OSR within three months of the date of first execution of the agreement for sale of land or the transfer.

The initial applications cannot be processed on Electronic Duties Returns (EDR).

Lodgement requirements

The following must be lodged with OSR:

- original agreement for sale of land
- Application for NSW Home Builders Bonus (ODA 065)
- Declaration for 'Off the Plan' Purchases (ODA 014).

OSR will assess the duty payable then return the following to the lodging party:

- original Duties Notice of Assessment
- unstamped original agreement for sale of land.

Payment and stamping options

Duty is payable on or before the due date specified on the Duties Notice of Assessment or within three months from the date of completion of the agreement or the assignment of the whole or any part of the purchaser's interest under the agreement, whichever occurs first.

To finalise one of these matters, you will be required to use one of the following three options.

Option one – Lodge with OSR

If you are receiving payment prior to settlement, you must lodge these matters with OSR together with the following:

- original agreement for sale of land
- original transfer
- Duties Notice of Assessment previously issued by OSR
- total duty payable.

OSR will stamp the documents and return the original stamped agreement for sale of land and transfer to the lodging party.

Option two – Process on EDR prior to attending settlement

If you are receiving payment at settlement and you or your agent elect to process the matter on EDR prior to attending settlement, you must adhere to the following procedures:

- process a transfer in conformity (s18(2)) or where applicable a transfer not in conformity (s18(3)) through EDR – duty of \$10.00 will be payable as part of your weekly EDR remittance
- on entering the data, you will be required to enter the 'Application ID' that the agreement for sale of land was processed under (refer to the Duties Notice of Assessment issued by OSR)
- stamp the transfer but do not complete the details on the stamp
- attend settlement and take with you the agreement for sale of land, transfer, EDR confirmation statement and original Duties Notice of Assessment
- when you are in receipt of the cheque for the amount of duty payable, complete the stamping details on the transfer with the information provided on the EDR confirmation statement
- **do not stamp the agreement for sale of land**
- obtain a photocopy of the stamped transfer
- after settlement is completed, you must immediately send OSR the original agreement for sale of land, a copy of the stamped transfer, the cheque for the amount of duty payable, a copy of the EDR confirmation statement and a copy of the Duties Notice of Assessment.

OSR will finalise the matter and return the original stamped agreement for sale of land to the lodging party.

Option three – Process at an OSR approved settlement room

If you are receiving payment at settlement and you or your agent elect to have the matter processed by an OSR approved settlement room (see www.osr.nsw.gov.au), you must adhere to the following procedures:

- attend an OSR approved settlement room with the original agreement for sale of land, transfer and Duties Notice of Assessment (you will be required to provide the settlement room with a photocopy of the front page of the agreement of sale of land and Duties Notice of Assessment)

MORE INFORMATION



www.osr.nsw.gov.au



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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.

- the OSR approved settlement room will process a transfer in conformity (s18(2)) or where applicable a transfer not in conformity (s18(3)) and stamp the transfer
- duty of \$10.00 must be paid
- **the agreement for sale of land will not be stamped**
- obtain a photocopy of the stamped transfer
- after settlement is completed, you must immediately send to OSR the original agreement for sale of land, a copy of the stamped transfer, the cheque for the amount of duty payable, a copy of the EDR confirmation statement and a copy of the Duties Notice of Assessment.

OSR will finalise the matter and return the original stamped agreement for sale of land to the lodging party.

Read more about the NSW Home Builders Bonus at www.osr.nsw.gov.au

Office of State Revenue:
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Department of Finance and Services

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