

# Guideline

## *First Home Owner Grant Act 2000*

### **First Home Owner Grant (FHOG)**

This guideline applies from 1 January 2016 to 30 June 2017. For information about transactions entered into prior to 1 January 2016, please refer to separate guidelines available on the State Revenue Office website.

#### **What is the FHOG?**

The FHOG is a one-off payment of \$10 000 for eligible first home buyers and builders of new homes. However, the FHOG has been increased to \$20 000 for certain eligible transactions that satisfy additional building requirements. This Guideline sets out those requirements.

#### **Are you eligible for the FHOG?**

##### **a) Transactions entered into between 1 January 2016 and 30 June 2016**

If you have received a \$10 000 FHOG for a transaction entered into between 1 January 2016 and 30 June 2016, the State Revenue Office (SRO) will write to you with information about your eligibility for an additional \$10 000 payment. If you have questions about this process please contact the SRO directly.

##### **b) Transactions entered into between 1 July 2016 and 30 June 2017**

Below are the eligibility criteria for FHOG transactions entered into between 1 July 2016 and 30 June 2017 (inclusive) which may be eligible to attract the increased grant of \$20,000. All applicants must meet the general criteria and the specific criteria relevant to the particular eligible transaction entered.

An eligibility checklist is included in the FHOG application form to assist you to determine if you may be eligible.

The FHOG payment for eligible applicants has increased from \$10 000 to \$20 000 for the following eligible transactions occurring during the above times at 'b':

- building your home through a registered builder;
- building your home as an owner builder (including the relocation of a moveable building);
- purchasing a home off the plan; or
- purchasing a new home.

The \$20 000 payment will be administered by way of a Deed of Arrangement until the relevant legislation comes into effect. From 1 July 2017 onwards the grant amount will revert to \$10 000.

## **General FHOG Criteria**

To be eligible for the FHOG all applicants must:

- be a natural person (not a company);
- be at least 18 years of age;
- be an Australian citizen or permanent resident;
- not have owned a home (or have a spouse who owned a home) in Australia before 1 July 2000;
- not have owned and occupied (or have a spouse who owned and occupied), for more than six months, a home in Australia after 1 July 2000;
- if building your home or having a home built, occupy the home as your principal place of residence for a continuous period of at least six months commencing within 12 months of the date the occupancy certificate is issued for the property;
- if purchasing your new home, occupy the home as your principal place of residence for a continuous period of at least six months commencing within 12 months of settlement; and
- not have received the FHOG before.

## **Additional Criteria for the \$20 000 FHOG**

### ***Building your home through a registered builder***

If building your home through a registered builder, you must:

- enter into a contract to build your new home between 1 July 2016 and 30 June 2017 (inclusive); and
- complete the building of your home within 24 months of entering into the contract to build. Building is taken to have been completed at the time an occupancy certificate is issued.

### ***Building your own home as an owner builder (including relocating a moveable building)***

If building your own home, you must:

- commence laying the foundations for your home between 1 July 2016 and 30 June 2017 (inclusive); and
- complete the building of your home within 24 months of commencing the laying of foundations. If no foundations are being laid because of the nature of the building, you should contact the Commissioner of State Revenue to determine the 'commencement of building' date.

Building is taken to have been completed at the time an occupancy certificate is issued by the Local Council.

If relocating a moveable building (being a building that is fixed to land, not a caravan or mobile home), you are required to satisfy the owner-builder criteria in order to be eligible for the FHOG. Note, however, that from 31 October 2016, an additional requirement for eligible transactions that relate to the purchase of a moveable building is that the building must constitute a new moveable building (that is, a building that has not previously been used as a place of residence) in order to be eligible for the FHOG.

### ***Purchasing an off-the-plan home***

If you purchase an off-the-plan home, you must:

- enter into a contract to purchase the home between 1 July 2016 and 30 June 2017 (inclusive); and
- complete the building of your home within 24 months of entering into the contract to purchase the home. Building is taken to have been completed at the time an occupancy certificate is issued.

### **Purchasing a new home**

If you purchase a new home, enter into a contract to buy a newly built dwelling (being a dwelling that has not previously been occupied or sold as a place of residence) between 1 July 2016 and 30 June 2017 (inclusive).

### **What happens if I cannot meet the specified time frame for the \$20 000?**

If you do not meet the specified time frame for completion, you will only be eligible for a FHOG of \$10 000. However, provided you have good reasons for not completing building works within the specified time-frame you can apply to the Commissioner of State Revenue to exercise discretion to extend the period in which you were required to comply. For further information refer to the document [First Home Owner Grant Commissioner's Discretions Guideline](#).

### **What is meant by completion?**

**If building**, your home is taken to have been completed at the time an occupancy certificate is issued.

**If purchasing**, the eligible transaction is taken to be completed when the property is transferred on title to the new owner.

### **Which homes qualify?**

To qualify for the FHOG in Tasmania, the home you build must:

- be located in Tasmania;
- be fixed to your land; and
- meet local planning standards.

Each State and Territory has its own FHOG legislation. If you are building your home in another State or Territory you will need to apply for the FHOG there. FHOG information for other States and Territories is available at [www.firsthome.gov.au](http://www.firsthome.gov.au).

## **Residency requirements**

### **Do I have to live in my home?**

To qualify for the FHOG you (and any other applicant to your grant application) must:

- move into the property that you received the FHOG for within 12 months of the date of completion; and
- retain ownership of the property and occupy it for a continuous period of at least six months.

This means that the subject residence must be the place at which you usually eat and sleep. Leaving personal property at a vacant residence does not meet these conditions.

### **What if I can't meet the residency requirements?**

You must notify the State Revenue Office and repay the FHOG within 14 days of the date you become aware you cannot meet the residency requirements. The SRO routinely checks that residency requirements have been met.

In exceptional circumstances (that is, those outside the control of the applicant) the Commissioner of State Revenue has the discretion to:

- extend the 12 month period in which you must commence occupying your home;
- reduce the six month period for which you must occupy your home; or
- exclude one or more of the applicants (but not all applicants) from the requirement to comply with the residency requirement.

Requests to vary the period of occupancy cannot be considered after a decision has been made to recall the FHOG.

For further information refer to the document [First Home Owner Grant Commissioner's Discretion](#).

## Applying for the FHOG and receiving the grant

### How do I apply?

The FHOG is administered by the SRO. To apply for the FHOG you must complete the [FHOG application form](#). From 1 January 2016 until the relevant legislation is passed, you must also sign a Deed of Arrangement in order to receive the increased FHOG.

The FHOG application form and Deed of Arrangement are available from the SRO website, [www.sro.tas.gov.au/fhog](http://www.sro.tas.gov.au/fhog) and can be lodged at:

- financial institutions that are approved agents; or
- Service Tasmania.

Your financial institution will only process your application **if you are borrowing funds with them**. Check to see if your financial institution is an approved FHOG agent. If applying through an approved agent, please also check with the financial institution as to the documentation required.

### What do I need to provide with my application?

You will need to supply the supporting documentation (including proof of identity in some cases). The documents you need to provide are listed on the application form. Please note that these documents will need to be certified.

### How will I know if I am eligible for the FHOG after I've lodged my application?

You will receive a letter from the State Revenue Office advising whether your application has been approved or declined. This will occur within 10 business days of your application (and all the supporting documents, including those related to investigations conducted by the SRO) being lodged.

### How is the FHOG payment made?

The SRO will make payment:

- as instructed by your financial institution; or
- according to the instructions you provide (if you apply through Service Tasmania, a solicitor or conveyancer).

### When will the FHOG payment be made?

Please note that payment of the grant is at the discretion of the Commissioner for State Revenue.

#### ***Building through a registered builder***

If you are building a home through a registered builder, payment will be made following completion of the laying of the foundations if the home is financed, or on completion of a home that is not financed.

#### ***Building your own home***

If you are building your own home as an owner builder, payment is usually made on receipt of an occupancy certificate, proof of completion or proof of construction for your home.

### ***Purchasing a new home or a home off-the-plan***

If you are purchasing a new home or an off the plan home which is financed, then payment is usually made to your financial institution on settlement of your property.

If you lodged your application at Service Tasmania payment will usually be made on your solicitor/conveyancer providing an undertaking, confirmation of settlement or when the title for the property transfers to your name.

### **What can I do if my application is not approved?**

If your grant application is refused and you do not agree with the Commissioner's decision, you can lodge an objection. You must lodge the objection within 60 days of the date on the letter advising you of the decision.

Before lodging an objection you should read the [Objection, Reviews and Appeals Public Guideline](#) available at [www.sro.tas.gov.au](http://www.sro.tas.gov.au).

### **What if I realise that I should not have received the FHOG?**

If you think that you should not have received the FHOG, you must write to the State Revenue Office explaining why, and repay the funds you received. Depending on your circumstances a payment arrangement may be available to repay the funds.

## **Land Tax in Tasmania**

### ***What is taxable and what is not.***

Land tax is a state tax, calculated on a property's actual usage and ownership as at 1 July each year, for example where the property is vacant land. Land tax does **not** normally apply to a property classified as an owner's Principal Residence Land, that is, where the owner ordinarily lives, eats and sleeps.

### ***How do I have my property re-classified as Principal Residence Land?***

To apply for the Principal Residence Land classification, please complete the 'Application to Change Land Use' online form, available at [www.sro.tas.gov.au/landtax/change](http://www.sro.tas.gov.au/landtax/change).

Important: Where your property is re-classified as Principal Residence Land, it is important to know that should you move out of your FHOG property (and you have met the residency requirements set out on page 3 of this guideline), the property would no longer be your principal residence land and may become liable for land tax. You would need to complete the [Application for Change in Land Use online form](#). You can also go to [www.sro.tas.gov.au/landtax](http://www.sro.tas.gov.au/landtax) for more information.

### ***Land Tax rebate for vacant land that is built on during the same financial year***

Where a principal place of residence is built on vacant land owned as at 1 July of a financial year, a rebate up to the amount of the land tax paid can be claimed where the owner has not yet claimed principal residence on another property within the same financial year. To apply for the rebate, please use the [Application for Principal Residence Land classification](#) at [www.sro.tas.gov.au](http://www.sro.tas.gov.au).

## **The State Revenue Office Audit Program**

The SRO audits all FHOG applications for compliance with the eligibility and residency criteria. It is a condition of receiving the grant that, if we contact you as part of an audit, you must provide all the information requested.

The SRO also conducts regular audits of land tax accounts to ensure that properties are classified correctly. It is important that you advise the SRO if you cease to use your property as your principal place of residence within 30 days.

You may be required to repay the FHOG and pay any tax together with any penalties imposed if:

- you do not provide all the information requested by the SRO during an investigation;
- you provide false or misleading information to the SRO; or
- the SRO finds you should not have received the grant or a Principal Residence Land classification.

### **More information and assistance**

Email: [fhogs@treasury.tas.gov.au](mailto:fhogs@treasury.tas.gov.au)

Telephone: (03) 6166 4400 or 1800 001 388 (weekdays, 9:00am – 5:00pm)

Website: [www.sro.tas.gov.au/fhog](http://www.sro.tas.gov.au/fhog)

In person: Level 3, 80 Elizabeth Street, Hobart (weekdays, 9:00am – 5:00pm)

Mail: The Commissioner of State Revenue  
GPO Box 1374  
HOBART Tas 7001