

Guideline

First Home Owner Grant Act 2000

About the **First Home Owner Grant (FHOG)** and the **First Home Builder Boost (FHBB)**

This guideline applies for transactions entered into up to and including 31 December 2015. For information on transactions entered into after that date, please refer to the [First Home Owner Grant - Guideline](http://www.sro.tas.gov.au), available at www.sro.tas.gov.au.

If you are purchasing:

- an established home (no longer eligible for the FHOG from 1 July 2014);
- a new home (for example a 'spec' home); or
- a home off the plan.

What is the FHOG?

The FHOG is a one-off payment for eligible first home buyers/builders.

Between 1 July 2000 and 30 June 2015 the base FHOG payment for eligible applicants is \$7 000.

From 1 July 2015 onwards the base FHOG payment for eligible applicants is \$10 000.

Are you eligible for the FHOG?

To be eligible for the FHOG both you and your spouse/partner (if you have one) 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 in Australia before 1 July 2000;
- not have owned and occupied (for more than 6 months) a home in Australia after 1 July 2000;
- occupy the home as your principal place of residence for a continuous period of 6 months commencing within 12 months of the date of purchase or completion of the building;
- not have received the FHOG before; and
- not have entered into a contract to purchase or build a home before 1 July 2000, or not commenced construction as an owner builder prior to that date.

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

Contracts for **established properties**, signed on or after 1 July 2014, are not eligible for the FHOG.

What is the FHBB?

The FHBB is an increased FHOG payment, available to eligible buyers of newly constructed homes for example 'spec' homes and homes 'off the plan'.

The amount of the FHBB varies depending on when you enter into a contract to buy your new home.

Providing all eligibility criteria are satisfied, for contracts entered and building commencement between:

- 1 January 2013 and 6 November 2013 (inclusive) an FHBB of \$15 000 is available;
- 7 November 2013 and 31 December 2014 (inclusive) an FHBB of \$30 000 is available;
- 1 January 2015 and 31 December 2015 (inclusive) an FHBB of \$20 000 is available.

Eligibility

Are you eligible for the FHBB?

To be eligible for the FHBB you must satisfy **all** of the eligibility criteria for the FHOG in Tasmania. Additionally, you must undertake certain activities within the timelines outlined in the table below:

Type of new home	Commitment to build or buy*	Commence Building	Complete Building
'Off the plan' (house and land packages)	Contract to purchase	Complete laying of foundations	Within 24 months of completion of laying of foundations
New home purchased which has not previously been occupied (e.g. 'spec' home)	Contract to purchase	Not applicable	Not applicable

* This commitment must be made during the period between:

- 1 January 2013 to 6 November 2013 (inclusive) for the \$15 000 FHBB;
- 7 November 2013 to 31 December 2014 (inclusive) for the \$30 000 FHBB; or
- 1 January 2015 and 31 December 2015 (inclusive) for the \$20 000 FHBB.

What is meant by completing the laying of foundations

Laying of foundations is deemed to be complete when concrete foundations are poured and piers are completed. 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.

What is meant by completion of the building?

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

What happens if building commencement or completion occurs outside the specified time frames?

Provided you have good reasons for not commencing or completing building works within the specified time frames, 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 Discretion Guideline](#).

What Homes Qualify for the FHOG/FHBB

To qualify for the FHOG and FHBB in Tasmania, your home 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 your home is located in another State or Territory you will need to apply for the FHOG there. Links to other Revenue Office websites are available at www.firsthome.gov.au.

Residency Requirements

Do I have to live in my home?

To qualify for the FHOG and FHBB, you (and all other applicants) must:

- move into the property that you received the FHOG/FHBB for within 12 months of the date of settlement; 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 will not meet this condition.

What if I can't meet the residency requirements?

You must notify the State Revenue Office (SRO) and repay the FHOG and FHBB if you received it 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. There are fines and penalties for non-compliance.

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 6 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.

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

Applying for the FHOG and FHBB

How do I apply?

The FHOG is administered by the SRO. To apply for the FHOG you must complete the [FHOG application form](#) (available at www.sro.tas.gov.au/fhog).

This application form also has an addendum for you to complete if you are also applying for the FHBB.

FHOG application forms are also available from 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.

What do I need to provide with my application?

You will need to supply some supporting documentation with your application (including proof of identity in some cases), and these will vary depending on where you lodge your application. All the documents you need to provide are listed on the application form.

After you apply for the FHOG

How will I know if I am eligible for the FHOG/FHBB?

You will receive a letter from the SRO advising whether your application has been approved. This will be within 10 business days of your application (and all the supporting documents, including documents relating to investigation of your application) being lodged.

How will payment of the FHOG/FHBB be 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, your solicitor or your conveyancer).

When will payment of the FHOG/FHBB be made?

If you lodged your application with your financial institution, payment is usually made on settlement of the 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 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 this within 60 days of service of the letter advising you of the decision.

Before lodging an objection you should read the [Objections, Reviews and Appeals Public Guideline](#) on the SRO website, www.sro.tas.gov.au.

What if I find I should not have received the FHOG/FHBB?

If you find that you should not have received the FHOG or FHBB, you must write to the SRO to explain why, and repay the funds you received.

Other information

Land Tax – Principal Residence Land Classification

The Principal Residence Land classification (meaning that no land tax is payable) can be applied to your property for land tax purposes once you have commenced occupying it and using it as your main place of residence.

Where your property is classified as principal residence land as at 1 July of a financial year, a zero rate of land tax is applied for that year.

Your financial institution, solicitor or licensed conveyancer usually notifies us of what the property usage will be once the property has transferred to you.

If you are not going to use the property as your principal place of residence immediately, you will need to complete the [Application to Change Land Use online form](#) available from the SRO website (www.sro.tas.gov.au) once you commence living in the property as your principal place of residence.

The SRO's audit program

The SRO audits all FHOG and FHBB applications for compliance with the eligibility and residency criteria. The Act provides for and it is a condition of receiving the grant that, if we contact you about an audit, you must provide all the information we request.

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.

You may be required to repay the FHOG/FHBB or any tax that you should have paid, and may have 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 FHOG, FHBB or a Principal Residence Land classification.

More information and assistance

Email: fhogs@treasury.tas.gov.au

Telephone: (03) 6166 4400 (weekdays, 9:00am – 5:00pm)
1800 001 388 (for Tas-based callers outside the '62' area)

Website: 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