Guideline

First Home Owner Grant Act 2000

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

If building your home through a registered builder.

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 FHOG payment for eligible applicants is $7 000.

From 1 July 2015 onwards the 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 six months) a home in Australia after 1 July 2000;
- occupy the home as your principal place of residence for a continuous period of six months commencing within 12 months of the date the occupancy certificate is issued for the property;
- 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.

What is the FHBB?

The FHBB is an increased FHOG payment, available to eligible builders of new homes.

The amount of the FHBB varies depending on when you enter into a contract to build your new home. Providing all eligibility criteria are satisfied, for contracts entered 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; and
- 1 January 2015 and 31 December 2015 (inclusive) an FHBB of $20 000 is available.

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, the following criteria must be met:

- you must enter into a binding contract to build between the period:
  - 1 January 2013 and 6 November 2013 (inclusive) for the $15,000 FHBB;
  - 7 November 2013 and 31 December 2014 (inclusive) for the $30 000 FHBB; and
  - 1 January 2015 and 31 December 2015 (inclusive) for the $20 000 FHBB.
- building of your home must commence within 26 weeks of the date of the contract to build. Building of your home is taken to have commenced once the foundations have been laid. This means 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; and
- building of your home must be completed within 24 months of construction commencing. 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 frame?

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

To qualify for the FHOG and FHBB 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.

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 your occupancy certificate; 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 (SRO) and repay the FHOG and FHBB 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 FHBB

How do I apply for the FHOG

The FHOG is administered by the SRO. To apply for the FHOG you must complete the FHOG application form on the SRO website, 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 (including proof of identity in some cases), and this will vary depending on where you lodge your application. The documents you need to provide are listed on the application form.

After you apply for the FHOG/FHBB

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 those related to investigations conducted by the SRO) 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, a solicitor or conveyancer).

When will payment of the FHOG/FHBB be made?

Payment will be made following completion of the laying of foundations or on completion of a home that is not financed.

If you lodged your application at *Service* Tasmania, payment will usually be made on receipt of an occupancy certificate for your home.

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 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 on the SRO website, www.sro.tas.gov.au.

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

If you think that you should not have received either the FHOG or the FHBB, you must write to the SRO to explain why, and repay the funds you received. Depending on your circumstances a payment arrangement may be available to repay the funds.

Land Tax – Principal Residence Land Classification

The Principal Residence Land classification (meaning that no land tax is payable) can be applied to your property 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.

To apply for a principal residence land classification, please complete the 'Application to Change Land Use' online form available at www.sro.tas.gov.au/landtax/change.

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 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.

You may be required to repay the FHOG and the FHBB, pay 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 grant, 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