

Land Tax

Frequently Asked Questions

Please read ...

- This document contains general information only.
- If you need detailed advice about your specific taxation affairs, you should contact your tax advisor, accountant or solicitor.
- See the [Land Tax Act 2000](#) for reference.

1 July 2022

Land Tax FAQs

Contents

Q. How is land tax calculated?.....	3
Q. Do I have to pay land tax?	3
Q. Why did the amount of my assessed land tax increase compared to last year's assessment?	3
Q. I own several properties. How do I calculate the tax for one of them?	3
Q. I sold my property shortly after 1 July. Why am I being taxed if I am not the owner anymore?	3
Q. I am worried about not being able to pay my land tax account on time. What action should I take?	4
Q. Can I have my account sent electronically?	4
Q. My property has been affected by a natural disaster such as flood or fire. Is there any land tax relief available?	4
Q. I am administering an estate. The deceased person was the sole owner of the property. Is land tax still payable?	4
Q. Where and how can I pay my account?	4
Q. I received an Instalment Reminder for \$500 which I did not pay. Now I have received a Final Notice for \$1,500. Can I just pay the \$500?	5
Q. Interest and penalty tax have been applied to my account. Do I have to pay it?	5
Q. I live in my property. Why would I have received a land tax assessment for it?	5
Q. I jointly own two residences with my former partner. Can I apply for Principal Residence Land classification on both properties?	5
Q. I work in Launceston during the week and live in my residence there. I return on weekends to my residence in Hobart. Can I claim a Principal Residence Land classification on both properties?	6
Q. The property you are taxing me on is my son's residence that we purchased for him (in our names) while he attends university in Hobart. Can I claim a Principal Residence Land classification on the property?	6
Q. I have two residential properties in my name because I have bought a new home and I am waiting for the other one to sell. Can I get a rebate on land tax?	6
Q. The land tax account I have received is in my Company's name, but the property is my principal residence. Do I have to pay land tax?	7
Q. My home is held in a Trust, is a Principal Residence Land classification available?	7
Q. What is meant by contract date, settlement date and registration date?	8
Q. I have received a land tax account for a property that I do not own but rent from the owner. Do I have to pay the bill?	8
Q. I am a long-term purchaser of my home and have received a land tax account. Do I have to pay the bill?	8
Q. I have a nature reserve on my land. Do I have to pay land tax on this land?	9
Q. I disagree with the land value for my property. What can I do to have it reviewed?	9
Q. Can I object to my land tax account?	9

Q. How is land tax calculated?

A. Land tax is based on the assessed land value. Assessed land value is the land value multiplied by an adjustment factor. The Office of the Valuer-General determines land value and the [property valuation adjustment factors](#). The details are also available at: nre.tas.gov.au/land-tasmania/office-of-the-valuer-general/property-valuation-adjustment-factors.

Land may be classified as General Land, Principal Residence Land or Primary Production Land.

To determine the amount of land tax payable, the assessed land value of each parcel of land in each property classification is added together. The total amount for each classification is then multiplied by the land tax rate as set out in the [Land Tax Rating Act 2000](#) to determine the amount of tax payable.

For the land tax calculator go to sro.tas.gov.au/land-tax/land-tax-calculator.

Q. Do I have to pay land tax?

A. If you own property as at 1 July that is not classified as Principal Residence Land or Primary Production Land, you may have to pay land tax. This tax is applied in accordance with the [Land Tax Act 2000](#).

Q. Why did the amount of my assessed land tax increase compared to last year's assessment?

A. There could be several reasons for this:

- The [property valuation adjustment factors](#), applied to your property by the Office of the Valuer-General may have been revised, or your property may have been re-valued by the Office of the Valuer-General to reflect increases or decreased in property values according to the real estate market;
- you may have purchased additional taxable properties since the last tax year. If you own more than one property, land tax is calculated on the combined (aggregated) assessed land value of all your taxable properties;
- non-taxable land previously classified as Principal Residence Land or Primary Production Land may now be classified as General Land, meaning it is taxable.

If you consider the classification of your land is not correct, please complete the [Principal Residence Land Application](#) or [Primary Production Land Application](#) to request a review of the property's existing classification, or use the [Notification of Change in Land Use Application](#) where you are now using your property for purposes other than Principal Residence or Primary Production Land. See the forms also at sro.tas.gov.au/resources/forms.

Q. I own several properties. How do I calculate the tax for one of them?

A. Use the land tax calculator at sro.tas.gov.au/land-tax/land-tax-calculator.

The formula for calculating land tax for each property:

$$\frac{\text{Assessed land value of the property}}{\text{Assessed land value of all taxed properties}} \times \text{Total land tax payable}$$

Q. I sold my property shortly after 1 July. Why am I being taxed if I am not the owner anymore?

A. Land tax is based on the ownership of land as at 1 July of each year. If you sold your property after this date your name will still appear on our land tax records as the owner at 1 July.

If you sold the property after 1 July, the [Land Tax Act 2000](#) enables you (or your solicitor/conveyancer on your behalf), when specified in the contract of sale, to recover a proportion of land tax from the purchaser. The proportion is usually determined by the ratio of the number of days you owned the land to the number of days in the financial year.

[Back to contents page](#)

The State Revenue Office has no role in this process. It is usually included as a condition in the contract of sale and finalised by your solicitor/conveyancer at settlement.

If you did not recover your land tax at settlement, contact your solicitor or conveyancer for assistance.

Q. I am worried about not being able to pay my land tax account on time. What action should I take?

A. If paying your account in full by the due date will cause serious financial hardship, a payment arrangement may be granted. This may include either extending the time to pay the full amount or making regular smaller payments.

Use the [online form](#) to apply for a **payment arrangement** (or go to sro.tas.gov.au/resources/forms).

Important:

- You must enter into a direct debit arrangement as a condition of your payment arrangement.
- Interest on unpaid land tax is payable where extensions of time are approved.
- You cannot have more than one payment arrangement. If you want to add your new tax to an existing arrangement you must reapply.

Q. Can I have my account sent electronically?

A. For email delivery

To receive your land tax account by email, go to the SRO website homepage (sro.tas.gov.au) and select the 'Email my Land Tax Notice' link within the right hand side 'Quick links' panel.

Q. My property has been affected by a natural disaster such as flood or fire. Is there any land tax relief available?

A. From 1 July 2013, where land is subject to fire, flood or a similar natural disaster, the owner may apply for the retention of Principal Residence Land (PRL) or Primary Production Land (PPL) classification for up to two financial years following the disaster. This relief is available even if the property is unable to be used as the owner's main place of residence or for primary production purposes.

To apply for tax relief the PRL or PPL application form is available:

- SRO website homepage (sro.tas.gov.au) (or go to sro.tas.gov.au/resources/forms); or
- in person at [Service Tasmania](#).

Q. I am administering an estate. The deceased person was the sole owner of the property. Is land tax still payable?

A. From 1 July 2017, the Principal Residence Land (PRL) classification is retained by the property on 1 July of the financial year following a sole owner's death, providing the property:

- was classified as PRL on 1 July of the financial year of the owner's death; and
- the property (or a part of the property) has not been sold or transferred to another person other than the personal representative of the deceased person.

If this situation applies, you should [email](mailto:taxhelp@treasury.tas.gov.au) the SRO (taxhelp@treasury.tas.gov.au).

Q. Where and how can I pay my account?

A. Payment options are set out on the back of your land tax Notice of Assessment.

Land tax accounts must be paid by the due date on the notice and can be paid at or accepted by:

- BPAY (Biller Code 575514)
- [Service Tasmania payments website](#) (or go to service.tas.gov.au)
- Call the Service Tasmania phone payment facility: 1300 729 859 (local call)
- Paying in person at any Service Tasmania Shop

Please refer to the [Service Tasmania website](#) for locations and opening hours or go to service.tas.gov.au/about/shops.

[Back to contents page](#)

Q. I received an Instalment Reminder for \$500 which I did not pay. Now I have received a Final Notice for \$1,500. Can I just pay the \$500?

A. If you do not pay your instalment by the due date, the instalment arrangement will be withdrawn. This means that the full amount of tax becomes due and payable by the due date printed on the Final Notice issued to you.

If you were unable to pay the instalment because of circumstances beyond your control, the account may be returned to instalments. Accounts will only be returned to instalments once during a financial year.

For instalments to be re-instated, you should set out your circumstances in writing to The Commissioner of State Revenue, GPO Box 1374, HOBART TAS 7001, or email taxhelp@treasury.tas.gov.au.

Q. Interest and penalty tax have been applied to my account. Do I have to pay it?

A. Interest and penalty tax are applied for a variety of reasons including as a result of a compliance investigation.

Interest and penalty tax will only be removed in some circumstances.

For more information about interest and penalty tax, please read [Revenue Ruling PUB-GEN-2021-1](#) or go to sro.tas.gov.au/resources/rulings.

To seek the removal of interest or penalty tax please set out your situation:

- a) in an email to taxhelp@treasury.tas.gov.au; or
- b) by writing to The Commissioner of State Revenue, GPO Box 1374, HOBART TAS 7001.

Q. I live in my property. Why would I have received a land tax assessment for it?

A. You will receive a Notice of Assessment where our records have shown your property (or part of it) as being classified as General Land. However, you may be eligible to claim a Principal Residence Land (PRL) classification.

Under section 6 of the *Land Tax Act 2000*, to qualify for a PRL classification the applicant(s) must own at least 50 per cent of the land and the residence must be occupied, as at 1 July of the relevant year, by:

- the owner(s), or their spouse (or former spouse);
- the beneficiary of an estate of a deceased owner (where the land is held by the trustee of the estate);
- a beneficiary of a trust appointed by a court (where the land is held by the trustee of that trust); or
- a beneficiary of a special disability trust (where the land is held by the trustee of the special disability trust).

If you moved into your property after 1 July, you may be eligible for PRL classification from the next financial year.

A home unit or company land occupied by the owner, their spouse or former spouse may also be classified as principal residence land. Read more information about company land on the next page.

For all applications for PRL classification, the onus is on the taxpayer to demonstrate that they reside at the property and the land is used as their main place of residence. If any part of the land is used for other purposes then that part of the land may be taxed as general land, meaning it is taxable.

Use the [Principal Residence Land online form](#) or go to the Land Tax section of sro.tas.gov.au/resources/forms.

Q. I jointly own two residences with my former partner. Can I apply for Principal Residence Land classification on both properties?

A. A Principal Residence Land classification may be applied to each property if each person:

- is separately residing in each property as their main place of residence; and
- owns at least 50 per cent of the property they are residing in.

Use the [Principal Residence Land online form](#) to apply for a PRL classification or go to the Land Tax section of sro.tas.gov.au/resources/forms.

Q. I work in Launceston during the week and live in my residence there. I return on weekends to my residence in Hobart. Can I claim a Principal Residence Land classification on both properties?

A. No. Generally, you can only claim the Principal Residence Land (PRL) classification for one of your properties. A person's principal place of residence is the place at which the person normally resides, most of the time and in any case, more than any other place.

Your principal place of residence is usually considered to be the place where you ordinarily eat, drink and sleep. However, determining which residence would be considered your main place of residence for land tax purposes depends on a number of factors. Some examples include:

- your work arrangements;
- your address on the Electoral Roll;
- connection and use of services such as telephone, gas and electricity;
- where you receive your mail; or
- where your furniture and possessions are located.

The classification of either property as PRL needs to be determined on a case by case basis, and you should contact the State Revenue Office to discuss your circumstances.

Q. The property you are taxing me on is my son's residence that we purchased for him (in our names) while he attends university in Hobart. Can I claim a Principal Residence Land classification on the property?

A. Unless your son is the owner of at least 50 per cent of the property (where you or your spouse do not also reside at the property), the land is taxable and a Principal Residence Land classification cannot be claimed.

Q. I have a block of land adjoining my home which I use as part of my residence. Do I have to pay land tax on this block?

A. The block may be classified as Principal Residence Land (PRL) if:

- you use that land solely in conjunction with your residence and for no income producing purposes; and
- the owner of at least 50 per cent of the PRL is also the owner of at least 50 per cent of the adjoining land.

To apply for a PRL classification for an adjoining block use the [Principal Residence Land online form](#) or go to sro.tas.gov.au/resources/forms.

Q. I have two residential properties in my name because I have bought a new home and I am waiting for the other one to sell. Can I get a rebate on land tax?

A. You may be eligible for a rebate on land tax for two residences in transitional circumstances. To be eligible, you must meet all these criteria:

- at least 50 per cent of the second property (the new residence) must be owned by the same owner/s and it must have been purchased on or after 1 April; and
- a contract of sale for either property must have been entered into prior to 30 September; and
- neither residence must have been rented out or used to derive income during the transitional period that both were owned; and
- no apportionment of consideration for land tax on the sold property between the vendor and the purchaser must have occurred; and
- an application for the rebate must be lodged with the State Revenue Office no later than three months after 30 June of the next year.

If all of those criteria have been met you may claim a rebate of the land tax paid by using the [Two residences owned in transitional circumstances application](#), also available at:

- from sro.tas.gov.au/resources/forms;
- at any [Service Tasmania shop](#) or go to service.tas.gov.au/about/shops; or
- by requesting a copy from the State Revenue Office;
Please call (03) 6166 4400 or 1800 001 388
Office hours: weekdays, 9:00am to 5:00pm

[Back to contents page](#)

Q. The land tax account I have received is in my Company's name, but the property is my principal residence. Do I have to pay land tax?

- A.** Where a company owns a property, to be eligible for a Principal Residence Land (PRL) classification:
- the property must be the principal residence of a person or people who own 50 per cent or more of the shares in the company as at 1 July for the year in question; and
 - the person or people must not own other PRL.

To apply for a PRL classification for land held by a company you must:

- complete the [Principal Residence Land online form](#) or go to the Land Tax section of sro.tas.gov.au/resources/forms; and
- provide the State Revenue Office with a copy of an Australian Securities and Investment Commission search showing the directors and shareholders of your company as at 1 July of the relevant financial year; and
- provide the State Revenue Office with a copy of the company's balance sheet showing the property as an asset of the company.

The company residential land provisions **do not apply** if the company is holding the land as a trustee for a trust. Section 6(3) contains separate PRL provisions relating to land held by trustees.

Q. I have received a land tax account for the block of land that I am building my house on. Do I have to pay the account?

- A.** You may not have to pay land tax and can apply for a rebate if you meet the following eligibility criteria:
- you must not own any other property classified as Principal Residence Land as at 1 July in the current tax year; and
 - you must own at least 50 per cent of the land; and
 - the residence must be completed by 30 June in the current tax year; and
 - you must have commenced living in the property by 30 June in the current tax year.

If you have moved into your house before the due date on your land tax assessment notice you can apply for a rebate and your land tax will be re-assessed with no tax payable for that property. However, if your land tax assessment notice is due for payment before you move into your house, you must pay the assessment in full, and then apply for a rebate once you are able to provide evidence that you are occupying the property.

Evidence of occupancy can include a certificate of completion or occupancy permit issued by your local council, electricity or telephone accounts showing connection and usage or an insurance policy for your contents at the property.

To apply for a rebate

Complete the [Principal Residence Land online form](#) or go to the Land Tax section of sro.tas.gov.au/resources/forms. If your application for a rebate is approved, the land tax you have paid will be refunded.

Q. My home is held in a Trust, is a Principal Residence Land classification available?

- A.** Land held on trust by a trustee may be granted a Principal Residence Land (PRL) classification if a beneficiary of the trust resides at the property as their principal residence, that beneficiary does not own other PRL and the land is held by:
- a registered trustee company;
 - an executor, administrator, guardian, committee, receiver or liquidator;
 - a trustee appointed by a court;
 - a trustee of a special disability trust (see the [Special disability trust guideline](#) at sro.tas.gov.au); or
 - a trustee of a fixed trust in which:
 - i. all of the beneficiaries are individually named or are descendants of individually named beneficiaries; and
 - ii. the beneficiary would be entitled, on the winding up of the trust, to 50 per cent or more of the value of the income and capital of the trust.

The PRL classification will only be applied if the beneficiary does not own any other PRL as at 1 July.

[Back to contents page](#)

Q. What is meant by contract date, settlement date and registration date?

Contract date	The date you enter into the contract to buy or sell land.
Settlement date	The date the contract is completed.
Registration date	The date the Recorder of Titles actually records the new owner's details on title.

Important: Land tax is payable by the owner of the land. Owner is defined as the person who is registered on title with the Recorder of Titles.

Q. I lease my land to another person who uses it for farming. Do I have to pay land tax?

A. If the lessee of your land is using it as part of a business for primary production, a Primary Production Land (PPL) classification may apply.

You, as the owner of the land, as well as the land user, are responsible for completing a [PPL Application form](#) and lodging it with the State Revenue Office. If the land is leased, details about primary production activities on the land must be completed and declared by the user of the land.

The [PPL Application form](#) is available:

- from the Land Tax section of sro.tas.gov.au/resources/forms;
- at any [Service Tasmania shop](#);
- by [emailing](#) the State Revenue Office (taxhelp@treasury.tas.gov.au), or
- by requesting a copy from the State Revenue Office:
Please phone (03) 6166 4400 or 1800 001 388
Office hours: weekdays, 9:00am to 5:00pm

Q. I have received a land tax account for a property that I do not own but rent from the owner. Do I have to pay the bill?

A. Payment of land tax is the responsibility of the owner. However, under some tenancy agreements the tenant is required to pay all outgoings for the property, including land tax. This is specifically a matter between you and your landlord, not the State Revenue Office.

Q. I am a long-term purchaser of my home and have received a land tax account. Do I have to pay the bill?

A. Payment of land tax is the responsibility of the owner. Where a person enters into a long-term purchase contract, ownership does not change until they have finished paying all the instalments for the property.

As the long-term purchaser, if you occupy the land as your residence, the land must be classified as 'general' and the owner of the land is liable to pay land tax.

Under some purchase agreements you may be required to pay all outgoings for the property including land tax. This is a matter between you and the vendor and not the State Revenue Office.

Q. When my father died he left the house to his children, and my mother is the life tenant of the house. We have received a land tax account for the property. Does my family have to pay it?

A. Where a person is entitled to a life tenancy under the terms of a Will or Deed of Family Arrangement from an estate, they can apply for a Principal Residence Land (PRL) classification if they reside in the property as their main place of residence. To be eligible for the PRL classification, the entitlement to an estate of freehold land for their life must be registered on the Certificate of Title to the property.

To apply for a PRL classification use the [Principal Residence Land Application](#) or go to sro.tas.gov.au/resources/forms.

[Back to contents page](#)

Q. I have a nature reserve on my land. Do I have to pay land tax on this land?

A. Section 19A of the [Land Tax Act 2000](#) provides a partial exemption for land that is subject to a conservation covenant under [Part 5 of the Nature Conservation Act 2002](#). Under the partial exemption, land tax is not payable for the portion of land declared as a nature reserve as at 1 July as long as the covenant is registered on title.

Important: Land containing national trust or heritage buildings may not be land that would be exempt from land tax under this provision. It would only be exempt if the property is part of land that is subject to a conservation covenant under the Nature Conservation Act.

To apply for the exemption, please provide relevant information about the property:

- by email to the State Revenue Office at taxhelp@treasury.tas.gov.au; or
- by writing to: The Commissioner of State Revenue, GPO Box 1374, HOBART TAS 7001.

Q. I disagree with the land value for my property. What can I do to have it reviewed?

A. Land value is determined by the Valuer-General. Please visit the [Office of the Valuer-General website](#), or phone (03) 6165 4444 .

Q. Can I object to my land tax account?

A. Under [Part 10 of the Taxation Administration Act 1997](#) taxpayers have the right to object to an assessment or decision of the Commissioner of State Revenue.

The objection must be:

- in writing;
- state the full grounds for the objection; and
- be lodged with the State Revenue Office, GPO Box 1374, HOBART TAS 7001, within 60 days of the issue date printed on your land tax notice.

Important: Simply disagreeing with the value and fairness of land tax is not a valid ground for an objection. For more details, please refer to the [Objections, Reviews and Appeals Public Guideline](#) available at sro.tas.gov.au/resources/guidelines.

If you choose to lodge an objection, you can either pay or not pay your account in full by the due date.

If you pay your account in full and your objection is successful (whether wholly or in part), you will receive a refund of the amount overpaid plus daily interest, provided the amount of interest accrued is more than \$20.

If you choose not to pay your account, and your objection is unsuccessful, interest (where applicable) will be charged on the outstanding amount until the full amount is paid.

[Back to contents page](#)