

Land Tax

Frequently Asked Questions

Please read ...

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

1 July 2018

Land Tax FAQs

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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 (PRL) or Primary Production Land (PPL), you may have to pay land tax. This tax is applied in accordance with the [Land Tax Act 2000](#).

Q. How is land tax calculated?

A. Land tax is based on assessed land value. Assessed land value is the land value multiplied by an adjustment factor. [Property valuation adjustment factors](#) are determined by the Office of the Valuer-General.

Land may be classified as General Land, Principal Residence Land and Primary Production Land. Land taxable at the general rate for each category is added together and multiplied by the land tax rate as set out in the [Land Tax Rating Act 2000](#) to determine the amount of tax payable for each land classification.

A land tax calculator is available at www.sro.tas.gov.au/landtax/calculator.

Q. Why has the amount of my land tax increased since last year's account?

A. There could be several reasons for this:

- [property valuation adjustment factors](#), determined by the Office of the Valuer-General, may have been applied to your property; or the Office of the Valuer-General may have re-valued your property;
- 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 assessed land value of all your properties;
- your land may have been classified as General Land (it would appear as 'GEN' under the Land Class heading on your land tax notice of assessment).

If you believe there is a mistake with your land's classification, please contact the State Revenue Office by emailing taxhelp@treasury.tas.gov.au or by phone on (03) 6166 4400 or 1800 001 388. Office hours are 9:00am to 5:00pm, weekdays.

Q. I own several properties. How do I work out what the tax is for one of them?

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

The formula for calculating land tax for each property:

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

Q. I sold my property not long after 1 July. I'm not the owner anymore. Why am I being taxed?

A. Land tax is based on the ownership of land as at 1 July of each land tax year. Even if you sold your property after this date, you will still appear on our records as the owner, as 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) to recover a proper proportion of land tax from the new owner. The proportion is equivalent to the ratio of the number of days you owned the land to the number of days in the financial year.

The State Revenue Office is not involved in this process. It is usually part of the sale agreement conditions and is undertaken by your solicitor/conveyancer at settlement.

If you have not recovered your land tax at settlement, you should contact your solicitor or conveyancer for assistance.

Q. I'm worried about how I'm going to pay my land tax account on time. What should I do?

A. If payment of your account by the due date would cause serious financial hardship, a deferment arrangement may be granted. This might include an extension of time to pay the full amount or making smaller payments.

To apply for a deferment, complete the online form at www.sro.tas.gov.au.

Important:

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

Q. Can I have my account sent electronically?

A. BPAY View® or email delivery is offered by the State Revenue Office.

For BPAY View

Once registered, you will be notified by your Australian online banking service when your account has arrived. You can view it on-screen, pay it immediately or schedule it for payment by the due date.

To register and receive future land tax accounts with BPAY View:

1. Log into your online banking service.
2. Look for the "BPAY View" or the "View Bills" section.
3. Use the option below that suits your circumstances:

I have never paid land tax using BPAY, but I would like to register for the BPAY View service.

These are the details you will need when prompted in your online banking:

- **Biller code:** 575514
- **BPAY reference number**
Top left hand corner of the reverse side of your bill's payment slip.
- **Account number**
top right hand corner of your bill.
- **Account name**
as it appears in just the first line of your bill's address.

OR

I do pay land tax using BPAY, and now I would like to register for the BPAY View service.

These are the details you will need when prompted in your online banking:

- **Biller code:** 575514
- **Account number**
top right hand corner of your bill.
- **Account name**
as it appears in just the first line of your bill's address.

To watch a short video about BPAY View and how it works, please use [this link](#).

For email delivery

If you prefer to have your land tax account delivered by email, go to the SRO website homepage at www.sro.tas.gov.au and click on 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 disaster, the owner may apply for the retention of PRL or PPL classification for up to two financial years following the disaster. This relief is available even if the property is not being used as the owner's main place of residence or for primary production purposes.

To apply for tax relief a principal residence land or primary production land application form is available:

- from the State Revenue Office website sro.tas.gov.au; or
- 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 year of the owner's death; and
 - (or a part of the property) has not been sold or not been transferred to another person other than the personal representative of the deceased person.

If this situation applies, you should advise the SRO by emailing taxhelp@treasury.tas.gov.au.

Q. Where and how can I pay my account?

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

Land tax accounts can be paid at or accepted by:

- BPAY (Biller Code 575514)
- Any [Service Tasmania shop](#)
- [Service Tasmania payments website](#) (www.service.tas.gov.au)
- Call the Service Tasmania phone payment facility: 1300 729 859 (local call)
- Posting your remittance advice and payment to:
State Revenue Office, GPO Box 1374, HOBART TAS 7001
- Paying in person at any Service Tasmania Shop
Please refer to the Service Tasmanian website for locations and opening hours or go to:
<http://www.service.tas.gov.au/contact/>

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 your instalment is not paid by the due date, the instalment arrangement is likely to be withdrawn. This means that the full amount of tax will be 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 on one occasion per 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 by 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 extenuating circumstances or in situations that are beyond a taxpayer's control. 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.

For more information about interest and penalty tax, please read [Revenue Ruling Pub-Gen-2014-6](#) on the State Revenue Office website (sro.tas.gov.au).

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

A. Our records will have shown your property is classified as 'general' taxable 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 must own at least 50 per cent of the land and the residence must be occupied, as at 1 July of the relevant land tax year, by:

- the owner, 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.

Use the [online form](#) to apply for Principal Residence Land classification.

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 [online form](#) to apply for a Principal Residence Land classification.

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 classification for one of your properties.

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;
- if your intention is to sell one of the properties and move permanently to the other;
- where you receive your mail; or
- where your furniture and possessions are located.

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

Q. I work in Launceston during the week and live in a rented property. On the weekends, I return home to Hobart and live in the house I own. Can I claim Principal Residence Land on my Hobart residence?

A. It is possible that the Hobart property could continue to be your principal residence. The State Revenue Office would need to make a determination based on your specific circumstances. You should contact the State Revenue Office to discuss your circumstances.

Q. The property you are taxing me on is my son's residence, which we purchased (in our name) for him 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 (assuming that 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 if:

- you use that land solely in conjunction with your residence;
- the owner of at least 50 per cent of the principal residence land is also the owner of at least 50 per cent of the adjoining land; and
- you do not receive any income from the adjoining land.

To apply for a principal residence land classification for an adjoining block use the [online form](http://tro.tas.gov.au) (tro.tas.gov.au) to apply for a Principal Residence Land classification

Q. I have two residential properties in my name because I've bought a new home and I'm 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 for which 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 [Application for land tax rebate for two residences owned in transitional circumstances](#), which is also available:

- from www.sro.tas.gov.au;
- at any [Service Tasmania shop](#); 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

Q. The land tax account I've 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 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 principal residence land.

(see next page for more information)

To apply for a Principal Residence Land classification for land held by a company you must:

- complete a [Principal Residence Land application](#); 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 Principal Residence Land provisions relating to land held by trustees.

Q. I have received a land tax account for the block of land that I'm 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 printed on your land tax account you can apply for a rebate and your land tax will be re-assessed. However, if your land tax account is due for payment before you move into your house, you must pay the account 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 Application form available at www.sro.tas.gov.au.

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 classification if a beneficiary of the trust resides at the property as their principal residence, that beneficiary does not own other principal residence land 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 Exemption Guideline](#) at www.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 principal residence land classification will only be applied if the beneficiary does not own any other principal residence land as at 1 July.

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 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.

Application forms are available:

- from sro.tas.gov.au/landtax/ppl;
- at any [Service Tasmania shop](#); 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 don't 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 a matter between you and your landlord, and is not the responsibility of 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 the purchase agreement you may be required to pay all outgoings for the property including land tax. This is a matter between you and the vendor, and is not the responsibility of 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 has a life tenancy as a result of a Will or Deed of Family Arrangement from an estate, they can apply for a Principal Residence Land classification by completing an [online application](#). Evidence that the person has a life tenancy must be provided with the application.

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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 is not necessarily land that would be exempt from land tax under this provision. It is only exempt if the property is a 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 amended?

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. See the [Objections, Reviews and Appeals Public Guideline](#) for more details.

If you choose to lodge an objection, your account must still be paid in full by the due date.

If your objection is successful (whether wholly or in part), a refund of any overpaid tax will be made when the objection has been finalised.

In such cases, interest will also be paid on the overpaid amount at the daily market interest rate (at www.sro.tas.gov.au), provided the amount of interest accrued is more than \$20.