



My principal place of residence

I own a house and live in it as my home. Land tax does not apply to the property.

Typically, land tax does not apply to property classified as **Principal Residence Land**.

This category of land includes a home where the owner ordinarily eats and sleeps.

Family holiday home



Why do we pay Land Tax on a property that is used only as a holiday home?

The property is not the owner's principal place of residence. Therefore it is classified as **General Land** and is taxable.

General Land includes commercial land, vacant land, rental properties, holiday homes and vacant homes.

TIP: If your attached notice of assessment is for a property that you began using as your principal place of residence **before** 1 July 2018, please register the change by using the online PRL form at www.tro.tas.gov.au.



Home business

I run a business from my home. Do I have to pay land tax?

Here are several examples of a home business:

- bed & breakfast accommodation where the guests can typically access most or all of the common areas of the home;
- hairdressing;
- an e-business;
- freelance writing/editing;
- online consultancy;
- music lessons.

Where a home business is operated from principal residence land, land tax would not **ordinarily** apply to the part of the property being used to run the business if:

- a) the business is operated from the residence or a building that would ordinarily be found on residential land that is not of a solely commercial character (for example, the business is not operated from a dedicated workshop or commercial building); and
- b) no more than 50 per cent of the floor area of the building from which the business is conducted is ordinarily used for the business; and
- c) the business is operated by a person who is the owner of the land or the spouse, sibling, child or parent of the owner; and
- d) the property is the sole permanent business premises of the person operating the business.

Portion of my home used exclusively for paying guests



A portion of the property I own and live in is used exclusively for paying guests.

I do not use any of that area for my own needs.

Do I have to pay land tax on that portion of the property?

Examples of an exclusive portion include:

- living/sleeping areas and bathroom facilities not accessed by the owner for their own use;
- a self-contained or granny flat anywhere on the property.

Where the owner has set aside a portion of their home, such as a flat or room(s), just for the use of their paying guests, that portion of the property will normally be **liable** for land tax.

See the reverse side for more information about land tax, including:

- how land tax is calculated;
- land tax on the sale or purchase of property;
- I don't live in Tasmania but own property there;
- property bought for our daughter who is a university student.



Land Tax Tasmania, 2018 - 19

Land tax is a state tax, calculated on a property's actual usage and ownership as at 1 July each year.

Land classified by the Commissioner of State Revenue

- General Land: land tax applies.
- Principal Residence Land: land tax does not apply.
- Primary Production Land: land tax does not apply.

How is land tax calculated?

For one property

Land tax is applied to property classified as General Land, and is calculated using the property's total assessed land value or its apportioned assessed land value. See reverse for types of General Land.

For multiple properties

If an owner has more than one property classified as General Land, the assessed land values of those properties are combined, and land tax is calculated on that total value.

Land tax calculator

www.sro.tas.gov.au/land-tax/land-tax-calculator

Property that is not normally taxable

Property classified as Principal Residence Land or Primary Production Land does **not** ordinarily attract land tax – see details below.

Principal Residence Land

This is land that includes a dwelling. It must be the property where the owner (who has at least a 50 per cent interest in the land) ordinarily eats and sleeps. If the property is used simply for storage or as a weekend home, it does not qualify for the Principal Residence Land (PRL) classification.

If a part of property with a PRL classification is being used exclusively for another purpose, land tax may be payable on the portion of the property being used for that purpose. For more information in the first instance please refer to the 'Land Tax treatment of residential land' factsheet at www.sro.tas.gov.au before you contact the State Revenue Office.

Primary Production Land

Land classified as Primary Production Land (PPL) must be used substantially for the business of primary production, which is carried out with a reasonable expectation of profit. There are three other PPL categories including land declared as a Private Timber Reserve. See details at www.sro.tas.gov.au/land-tax.

If part of a property with a PPL classification is being used for purposes other than primary production, land tax may be payable on that portion. If this is your situation, you need to notify the Commissioner by using the [PPL application](#), available at www.sro.tas.gov.au/land-tax.

I am not living in Tasmania but own properties there. Even so, can one of them be classified as Principal Residence Land?

No. For the classification to apply, an owner who has at least a 50 per cent interest in the land must be living in one of the properties as their principal place of residence.

We have bought a property for our daughter to live in while she goes to university in Launceston. Why can't the property be classified as Principal Residence Land?

If your daughter does not own at least 50 per cent of the property, the tax-free Principal Residence Land classification cannot be applied.

The way I use my property has changed

Under section 16 of the [Land Tax Act 2000](#), the owner must notify the Commissioner of State Revenue in writing **within 30 days** of:

- their land ceasing to be Principal Residence Land, Primary Production Land or Exempt Land; or
- any other factor that may affect the land or part of the land's classification.

Advising the Commissioner as soon as a change occurs will help the property owner avoid financial penalties. To register a change in land use, please use the online form at www.sro.tas.gov.au/landtax/change.

Land tax on the sale or transfer of property

If a property has a General Land classification, any overdue land tax on the account must be paid when the property is sold or transferred. Please discuss this with your legal practitioner or conveyancer.

If you are acting for yourself and want to know the amount of land tax owing at the time of the sale or transfer, please read the [Land Tax Search factsheet](#) at www.sro.tas.gov.au or visit Service Tasmania.

Change to your residential or postal address?

You should advise the Commissioner of State Revenue if your residential and/or postal address has changed. Use one of these options:

- change of address form at service.tas.gov.au; or
- email taxhelp@treasury.tas.gov.au; or
- write to the Commissioner of State Revenue, GPO Box 1374, HOBART TAS 7001.

IMPORTANT

The information in this factsheet is a summary only. For detailed information about land tax, please go to www.sro.tas.gov.au/land-tax.