

State Government election commitments - 2018

Duties

A. Duty discount for first home buyers - takes effect from 7 February 2018

Provides a 50 per cent discount on duty for first home buyers of established homes with a property value of \$400 000 or lower. The discount is available for 12 months from 7 February 2018 for homes that settle (transfers that complete) within that period.

B. Duty discount for eligible pensioners downsizing property - takes effect from 10 February 2018

Provides a 50 per cent property transfer duty discount to eligible pensioners that sell their existing home and downsize to a new home or unit priced at \$400 000 or lower, for an initial twelve month period.

C. Foreign Investor Duty Surcharge - takes effect from 1 July 2018

Introduces a Foreign Investor Duty Surcharge of an additional 3 per cent of the dutiable value for all transactions of residential property by foreign residents. An additional 0.5 per cent of the dutiable value of a property will apply to all transactions involving primary production land by foreign residents.

Notes:

- i) Changes will be made to TRO to incorporate the new duty discount (concession) types, A and B.
- ii) An application form will also be available for A and B. The forms would be lodged at the time of requesting an assessment of duty by the SRO (and uploaded via TRO).
- iii) For transactions that have already occurred, a duty refund claim form will be available to lodge with the relevant application.
- iv) Foreign Investor Duty Surcharge: Additional fields will be added to TRO to collect extra data on foreign owners. New data fields will also be incorporated into the transferee information form.

Land Tax

A. Land Tax exemption for newly built housing made available for long-term rental - with effect from 8 Feb. 2018 (see details below)

Provides a three-year land tax exemption for all newly built housing that is made available for long term rental. The exemption will be available for the three financial years after the date that an occupancy certificate is received, as long as it is received between 8 Feb. 2018 and 7 Feb. 2021 inclusive.

B. Land Tax exemption (arising from the Housing Summit of March 2018) - with effect from 15 March 2018

Provides a one-year land tax exemption for short-stay accommodation properties (commonly listed online with commercial platforms such as 'Airbnb' and 'Stayz') that are made available for long-term rental accommodation within the Greater Hobart area (covered by the local government geographical areas covered by City of Clarence, City of Hobart, Glenorchy City Council, and Kingborough Council).

The exemption will be available for the financial year after the property has converted into a long-term rental, so long as the property has been converted as such between 15 March 2018 and 30 June 2018. This means that the exemption will be applied for the 2018-19 financial year.

Payroll Tax

A. Payroll Tax Rebate Scheme for employing new apprentices, trainees and youth employee - for the period from 1 July 2019 to 30 June 2021

The Tasmanian Government has extended the existing Payroll Tax Rebate Scheme to certain industries for employing new apprentices, trainees, and youth employees. The period of the scheme is 1 July 2019 to 30 June 2021 inclusive. The new Scheme applies to eligible businesses in industries with identified skill shortages: building and construction; tourism and hospitality; and advanced manufacturing.

B. Reduced bracket rate for Payroll Tax - with effect from 1 July 2018

Reduces the rate of payroll tax for total wages between \$1.25M and \$2.0M million. The payroll tax rate for wages within this range will be 4 per cent (usually 6.1 per cent). For every dollar of total wages above \$2.0 million, the payroll tax rate reverts to 6.1 per cent.

C. Payroll Tax exemption - with effect from 1 July 2018

Provides a three-year payroll tax exemption for wages paid by a business to its employees in regional Tasmania, where an interstate business relocates to Tasmania and establishes its operations in a regional area. The exemption is **not** available for businesses situated in the local government geographical areas covered by City of Clarence, City of Hobart, Glenorchy City Council, and Kingborough Council.

State Revenue Office email subscription service

A new 'Government Announcements' option

A 'Government Announcements' subscriber checkbox has been added to the State Revenue Office (SRO) email service.

This is a useful option for professional representatives, their clients and any other taxpayers who:

- a) want information about several or more of the State Government's 2018 election commitments for property transfer duties, land tax, and payroll tax; and
- b) need to know how those will be applied and administered by the Commissioner of State Revenue.

Subscribers will automatically receive the information once it's available for public release.

How to subscribe for 'Government Announcements'

► I'm an existing subscriber (but registered before the 'Government Announcements' option was added)

- a) Click on the 'Update your subscription' link in the email you received from the SRO when you previously subscribed, select the 'Government Announcements' checkbox, and click 'Submit'; or
- b) If you no longer have the email, use [this message link](#) to the SRO (who will reply with subscription details).

► I want to register as a new subscriber

Go to www.sro.tas.gov.au and use the 'Subscribe' button to register. *Other than selecting 'Government Announcements', you may also want choose other individual tax lines of interest to ensure you receive the SRO's periodic updates to its range of public documents.*

State Revenue Office of Tasmania

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Online Forms

Tasmanian Revenue Online - TRO

Tasmanian Government policy commitments
The Tasmanian Government has made various Land Tax, Property Transfer Duties, and Payroll Tax policy commitments, which will be administered by the State Revenue Office. Legislation and interim administrative arrangements are being prepared to give effect to the changes.

Until the new administrative arrangements are in place and legislative changes made, including for refunds, the State Revenue Office is required to collect tax based on the existing legislation.

Subscribe for updates incl. for various affordable housing initiatives
To receive the latest information about the policy commitments, which include certain affordable housing initiatives, click on **Subscribe** and select the **Government Announcements** checkbox.

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