

# Guideline

## Qualifying Home Business Concession

Under the [Land Tax Act 2000](#) property owners who operate a qualifying home business from their principal residence are **not** required to pay land tax on the portion of the property from which the business is operated.

### Eligibility requirements of the Qualifying Home Business Concession

To be eligible as a 'qualifying home business', it is necessary to show that, effective 1 July in any given year:

- the business is operated from land where there is a permanent building that is predominantly residential in character and affixed to the land; and
- the building and land from which the business is operated is not subject to a closure order issued under the [Public Health Act 1997](#). **Important:** If habitation of the dwelling is prohibited by council on the basis of unhealthy or unsafe premises it is **not** eligible for the concession; and
- the business is operated from a building that is ordinarily found on residential land. The business can be operated from within the home, a garage or shed but it cannot be operated from a dedicated workshop or commercial building; and
- the business is operated by the person who is the owner of the land or by their spouse, sibling, child or parent; and
- the land from which the business is operated is the only permanent business premises of the operator. (A person who produces items at home to sell from leased shop premises would not be operating a qualifying home business. However, a person who produces items to sell from home or from non-permanent premises such as a market is eligible); and
- no more than 50 per cent of the floor area of the residential building can be used for the operation of the business.

If a home business does not meet the definition of a 'qualifying home business' the owner of the property remains liable to pay land tax on an apportioned basis. The Commissioner of State Revenue (the Commissioner) is required to treat the portion of land, from which a non-qualifying home business operates, as general land. This means that land tax is payable on that part of the land.

## Responsibility to satisfy the Commissioner that the business is a Qualifying Home Business

The [Land Tax Act 2000](#) states that the land owner must satisfy the Commissioner that a business is a qualifying home business.

Ongoing eligibility for the concession depends on the ability to meet eligibility requirements as at 1 July in any year. The land owner may be requested to satisfy the Commissioner that the classification is appropriate from year to year.

## Retrospective claims for the concession

Retrospective claims are limited to the last five financial years.

To make a retrospective claim, please complete the [Home business concession application](#).

## Disclaimer

This guideline is designed to give you the best information possible.

Occasionally we use examples and scenarios in our public documents as a general guide or simply to illustrate one or more points. They are not intended to cover all situations and, therefore, must not be substituted for independent professional advice.

For advice about your own circumstances, you may need to contact your tax advisor, accountant or solicitor.

## More information from the State Revenue Office

### Email

[taxhelp@treasury.tas.gov.au](mailto:taxhelp@treasury.tas.gov.au)

### Phone

(03) 6166 4400  
(weekdays, 9:00am to 5:00pm)

### Website

[sro.tas.gov.au](http://sro.tas.gov.au)

### In writing

The Commissioner of State Revenue, GPO Box 1374, HOBART TAS 7001

### Fax

(03) 6173 0217