



What is the family farm exemption?

The exemption is designed to assist family members take up ownership of family farms.

[Section 225 of the Duties Act 2001](#) provides an exemption from duty (the family farm exemption) for the transfer of an interest in primary production land and associated farming equipment. The transfer is either directly to a relative or to certain trusts and companies involving relatives.

The family farm exemption also exempts duty on the transfer of shares or units in a landholder* that owns farming property.

The family farm exemption relates to land that:

- a) is used in the business of primary production at the time of the transfer;
- b) will continue to be used in the business of primary production after the transfer; and
- c) is classified as primary production land for land tax purposes. The exemption is limited to certain transactions that involve relatives.

The exemption will **not** be applied should the transfer arise from a scheme to evade duty.

Requirements for the exemption to be applied

The land, at the time of the transfer, must be used as primary production land as defined in [section 7 of the Land Tax Act 2000](#). It must continue to be used for the business of primary production.

Prior to the exemption being approved, the classification of the land being transferred must be [Primary Production Land](#) for land tax purposes.

The property must also be transferring to a 'relative' or a company or trust where all the shareholders/beneficiaries are relatives of the Transferor - see details below.

Who is a 'relative'?

As defined in [section 225\(3\) of the Duties Act 2001](#) a relative of a person is:

- a) a lineal descendant of the person; or
- b) an adopted child, a natural child or a step-child of the person; or
- ba) a surrogate child of the person; or
- c) a lineal ancestor of the person; or
- d) a brother, sister, nephew, niece, aunt or uncle of the person; or
- e) the spouse or caring partner of the person or of a person referred to in paragraph (a), (b), (ba), (c) or (d); or
- f) an adopted child, natural child, step-child or surrogate child of a person referred to in paragraph (a), (b), (ba), (c), (d) or (e) or the spouse or caring partner of that child.

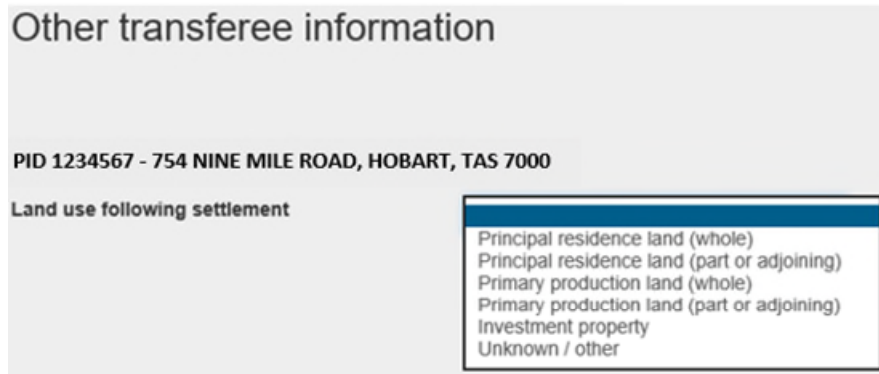
More information

Refer to the [Intergenerational Rural Transfer Exemption guideline](#).

* Landholder is defined in [section 61 of the Duties Act 2001](#).

Entering the transaction in Tasmanian Revenue Online (TRO)

1. Enter the transaction in TRO under the relevant duty transaction type.
2. On the 'Other transferee information' screen, enter how the property will be used after settlement.



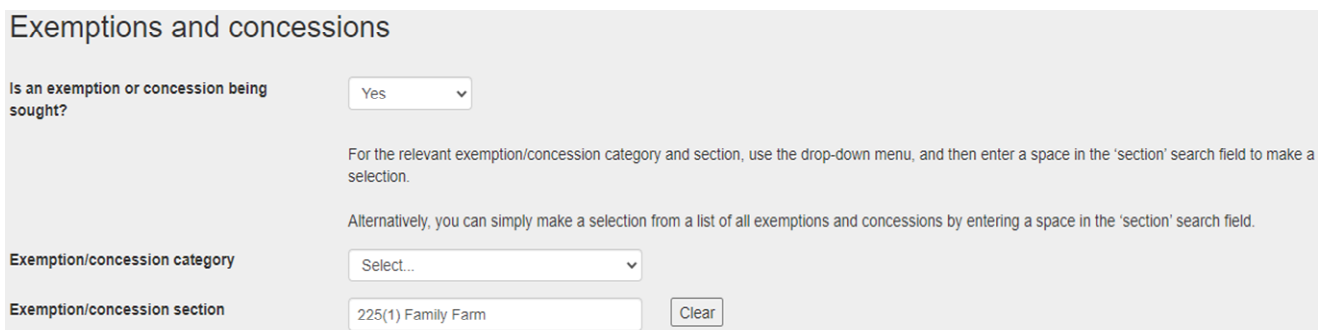
Other transferee information

PID 1234567 - 754 NINE MILE ROAD, HOBART, TAS 7000

Land use following settlement

- Principal residence land (whole)
- Principal residence land (part or adjoining)
- Primary production land (whole)
- Primary production land (part or adjoining)
- Investment property
- Unknown / other

3. On the 'Exemption and concessions' screen, enter the section of the Duties Act that relates to the exemption being claimed - example below.



Exemptions and concessions

Is an exemption or concession being sought?

For the relevant exemption/concession category and section, use the drop-down menu, and then enter a space in the 'section' search field to make a selection.

Alternatively, you can simply make a selection from a list of all exemptions and concessions by entering a space in the 'section' search field.

Exemption/concession category

Exemption/concession section

4. In the next field, enter the nature of the transaction.
For example, a trustee of a trust to a company (other than as trustee)...
5. Enter data in the remaining fields, and ensure all supporting evidence is attached* before submitting the transaction to the SRO for approval.

* Attach supporting evidence using the 'add-file' function when submitting the transaction.
The combined file size of the attachment should not exceed 50MB. If your documents are in excess of this limit, upload them in smaller batches using the 'transactions mail' function in TRO.

Frequently Asked Questions

Q. How do I apply for the exemption?

- A. Complete the [Intergenerational Rural Transfer Exemption Application form](#) and provide the evidence stated in the [Documentary evidence requirements guideline](#) and in the [Intergenerational Rural Transfer Exemption guideline](#).

Q. The land to be transferred is not classified as primary production land for land tax purposes. Would the property be eligible land for the purposes of the exemption?

- A. For an exemption to be granted under [section 225 of the Duties Act 2001](#), the land tax classification of the property needs to be 'primary production land' prior to the property transferring.

To apply for the land to be reclassified as primary production land for land tax purposes, complete the [Primary Production Land classification application form](#) and lodge it with the State Revenue Office.

Q. Can the property be transferred and the exemption applied if the transferor is transferring the property to the trustee of their Superannuation Fund?

- A. No. If an individual owns a farm in their own name and transfers that property to the trustee of their superannuation fund, the family farm exemption would **not** be available. Here, the principal motivation has been to accommodate financial affairs and does not have the principal purpose of transferring the farming property to a relative.

Q. Is the Foreign Investor Duty Surcharge (FIDS) payable?

- A. If the exemption is not granted and duty is payable, then FIDS may be payable.

Q. Does the exemption apply to a transaction under [Chapter 3 of the Duties Act 2001](#)?

- A. In some instances, it may be possible for an exemption under [section 225 of the Duties Act 2001](#) to be applied. However, this cannot be determined until an application and all supporting documentation are received.

Q. Can you be related to yourself?

- A. Yes. Reference to a relative of a 'person' is to be taken to include a reference to the 'person' himself or herself.

Q. Can a transferee be related to a deceased estate?

- A. Yes. A transfer from a deceased estate may be taken to be a transfer from the deceased person. The death of a person does not alter the relationship between that person and any other person.