

# Guideline

for legal practitioners and conveyancers

## Land Tax Search

### Summary

Land Tax Search certificates issued by the State Revenue Office (SRO) show the land tax payable for a property for the financial year. They include an estimate of land tax owing by a property vendor at settlement date.

The certificate is based on information available to the SRO at the time of request. Intervening changes to the settlement date, subsequent land tax payments or property classification changes could mean the certificate does not reflect the true estimate. If the Land Tax Search is produced several weeks before settlement, you can view and edit your original search up to midnight of the original settlement date. Use the edit function to amend the settlement date if required and produce a new certificate without being charged an additional fee.

### Why do I need a Land Tax Search?

#### Paying Land Tax

The [Land Tax Act 2000](#) (the Act) states that the owner of property at the beginning of the financial year (1 July) is liable to pay land tax for that year.

From 1 July 2022, 'land tax' includes the **Foreign Investor Land Tax Surcharge (FILTS)** where applicable.

On the sale or transfer of land, any amount of land tax payable for that land must be paid on the day the property is transferred. In practice this means that most vendors pay any outstanding land tax prior to settlement.

**One property:** [Section 39\(2\)\(a\) of the Act](#) requires that if the vendor owns one property they must pay the total amount of land tax owing for the land being sold or transferred plus any interest and penalty tax payable.

**More than one property:** [Section 39\(2\)\(c\) of the Act](#) requires a vendor who owns more than one property to pay:

- the total amount of land tax plus interest and penalty owing for the land that is sold or transferred; and
- if a tax default has occurred, any land tax plus interest and penalty outstanding on other land owned by them.

#### Recovering a proportion of Land Tax paid

The Act allows for the vendor to recover from the purchaser a proportion of land tax (including FILTS) paid for the land sold or transferred. The SRO is not involved in the recovery of land tax between a vendor and purchaser. The Land Tax Search certificate provides the information needed by each party to allow the apportionment to occur.

## Requesting a Land Tax Search using Tasmanian Revenue Online (TRO)

Only registered TRO users can request a Land Tax Search from that online system.

If your firm is not registered for TRO you can apply for registration at [tro.tas.gov.au](http://tro.tas.gov.au).

Once registered, you can access the Land Tax Search function on TRO:

1. Log in to TRO - [tro.tas.gov.au](http://tro.tas.gov.au);
2. Select Land Tax Search from the left-hand side menu;
3. Enter the property details; and
4. View and Print your results.

You will receive a monthly Land Tax Search invoice for the certificate fee through TRO.

## Obtaining a Land Tax Search from Service Tasmania

If you are **not** a registered TRO user, you can obtain a Land Tax Search at Service Tasmania. You will need:

- a completed and signed [Land tax search application](http://sro.tas.gov.au/resources/forms) available at [sro.tas.gov.au/resources/forms](http://sro.tas.gov.au/resources/forms) or at Service Tasmania;
- payment for the search fee; and
- confirmation that you are:
  - the owner of the land; or
  - a legal practitioner or conveyancer acting for a party to the contract for sale; or
  - a trustee of the owner of the land; or
  - a party to the contract for sale.

## Land Tax Search fee

The fee is \$14.02, effective from 1 July 2024.

This fee is updated annually in accordance with the CPI adjustment factor provided for under [Section 5 of the Fee Units Act 1997](#).

## Paying a Land Tax Search

- For registered TRO users, a monthly invoice is issued through TRO; or
- For non-TRO users, payment is required with the completed application form.

## Calculations for a Land Tax Search

See the following calculations for tax payable on the sale or transfer of land. Also refer to the [land tax calculator](#) and the [land tax rates](#) pages at [sro.tas.gov.au/land-tax](http://sro.tas.gov.au/land-tax).

**For the land tax calculations:** FILTS does not apply.

**For the FILTS calculations:** it is assumed the properties are 100 per cent foreign owned, and 100 per cent of the taxable properties which are subject to FILTS can lawfully be used for residential purposes.

### Scenario 1: Sale of the only property owned

- one property owned;
- the vendor has paid the first instalment of land tax; and
- no overdue land tax.

| Property                           | Assessable Land Value (ALV) |
|------------------------------------|-----------------------------|
| Vacant land (taxable + FILTS-able) | \$400 000                   |

| Calculating: Land tax only       |            | Calculating: Land tax and FILTS    |            |
|----------------------------------|------------|------------------------------------|------------|
| Land tax assessed                | \$1 287.50 | Land tax assessed                  | \$1 287.50 |
| Less: Payment                    | \$ 429.15  | FILTS assessed                     | \$8 000.00 |
|                                  |            | Less: Payment                      | \$3 095.85 |
| <b>Amount payable \$858.35 *</b> |            | <b>Amount payable \$6 191.65 *</b> |            |

\* Where the property has a tax default the vendor is required to pay the total amount of tax in default plus any interest and penalty tax imposed. In such cases, a legal practitioner's or conveyancer's undertaking may be accepted to ensure that payment of the outstanding amount will occur on settlement.

### Scenario 2: Sale of Principal Residence Land

- two properties are owned;
- the Principal Residence Land is being sold; and
- no overdue land tax.

| Property                               | Assessable Land Value (ALV) |
|--|-----------------------------|
| Principal Residence Land (non-taxable) | \$400 000                   |
| Rental property (taxable + FILTS-able) | \$350 000                   |

No land tax is payable at the time of sale \*

\* Where the property has a tax default the vendor is required to pay the total amount of tax in default plus any interest and penalty tax imposed. In such cases, a legal practitioner's or conveyancer's undertaking may be accepted to ensure that payment of the outstanding amount will occur on settlement.

### Scenario 3: Sale of a property where multiple properties are owned

- three properties are owned;
- a vacant block is being sold; and
- no overdue land tax.

| Property                               | Assessable Land Value (ALV) |
|--|-----------------------------|
| Principal Residence Land (non-taxable) | \$350 000                   |
| Vacant block (taxable + FILTS-able)    | \$250 000                   |
| Rental property (taxable + FILTS-able) | <u>\$300 000</u>            |
| <b>Total value of taxable land</b>     | <b>\$550 000</b>            |

The amount of land tax payable in respect of the 'Vacant block' being sold is calculated as follows:

|   |   |       |                                    |
|---|---|-------|------------------------------------|
| <b>Total land tax payable</b><br><i>(plus interest and penalty tax if applicable)</i> | X | _____ | <b>Value of land being sold</b>    |
|   |   | _____ | <b>Total value of taxable land</b> |

**Calculating: Land Tax only**

|                        |                     |
|------------------------|---------------------|
| Total land tax payable | \$2 487.50          |
|                        | \$250 000           |
| \$2 487.50 x           | _____               |
|                        | \$550 000           |
| <b>Amount payable</b>  | <b>\$1 130.70 *</b> |

**Calculating: Land Tax with FILTS**

|                               |                     |
|-------------------------------|---------------------|
| Land tax assessed             | \$ 2 487.50         |
| FILTS assessed                | \$11 000.00         |
| <b>Total land tax payable</b> | <b>\$13 487.50</b>  |
|                               | \$250 000           |
| \$13 487.50 x                 | _____               |
|                               | \$550 000           |
| <b>Amount payable</b>         | <b>\$6 130.70 *</b> |

\* Where a tax default has occurred on the account, the vendor is required to pay the total amount of tax in default plus any interest and penalty tax imposed. In such cases, a legal practitioner or conveyancer's undertaking may be accepted to ensure that payment of the outstanding amount will occur on settlement.

**Scenario 4: Sale of a property which is not subject to FILTS where multiple properties are owned and land tax is part paid**

- four properties are owned;
- the Commercial warehouse is being sold;
- the vendor has paid the first instalment; and
- no overdue land tax liability.

| Property  | Assessable Land Value (ALV) |
|---|-----------------------------|
| Principal Residence Land (non-taxable)          | \$250 000                   |
| Vacant Block A (taxable + FILTS-able)           | \$190 000                   |
| Vacant Block B (taxable + FILTS-able)           | \$210 000                   |
| Commercial warehouse (taxable + not FILTS-able) | <u>\$500 000</u>            |
| <b>Total value of taxable land</b>              | <b>\$900 000</b>            |

The amount of land tax payable in respect of the ‘Commercial warehouse’ being sold is calculated as follows:

|   |   |                                    |
|---|---|------------------------------------|
| <b>Total land tax payable</b><br><i>(plus interest and penalty tax if applicable)</i> | X | <u>Value of land being sold</u>    |
|   |   | <b>Total value of taxable land</b> |

**Calculating: Land Tax only**

|                               |                   |
|-------------------------------|-------------------|
| Land tax assessed             | \$7 737.50        |
| Less: Payment                 | \$2 579.15        |
| <b>Total land tax payable</b> | <b>\$5 158.35</b> |

  

|            |   |                             |
|------------|---|-----------------------------|
| \$5 158.35 | x | \$500 000                   |
|            |   | <u>                    </u> |
|            |   | \$900 000                   |

**Amount payable \$2 865.75 \***

**Calculating: Land Tax and FILTS**

As the sale property is (a) not liable for FILTS and (b) land tax is not overdue, no FILTS is payable.

See the left hand box for the amount payable for land tax.

\* Where a tax default has occurred on the account, the vendor is required to pay the total amount of tax in default plus any interest and penalty tax imposed. In such cases, a legal practitioner or conveyancer’s undertaking may be accepted to ensure that payment of the outstanding amount will occur on settlement.

**Scenario 5: Sale of a property which is subject to FILTS where multiple properties owned and land tax is part paid**

- four properties are owned;
- a vacant block (Block A) is being sold;
- the vendor has paid the first instalment; and
- no overdue land tax liability.

| Property  | Assessable Land Value (ALV) |
|---|-----------------------------|
| Principal Residence Land (non-taxable)          | \$250 000                   |
| Vacant Block A (taxable + FILTS-able)           | \$190 000                   |
| Vacant Block B (taxable + FILTS-able)           | \$210 000                   |
| Commercial Warehouse (taxable + not FILTS-able) | <u>\$500 000</u>            |
| <b>Total value of taxable land</b>              | <b>\$900 000</b>            |

The amount of land tax payable in respect of 'Block A' being sold is calculated as follows:

|   |   |  |
|---|---|--|
| <b>Total land tax payable</b><br><i>(plus interest and penalty tax if applicable)</i> | X | <b>Value of land being sold</b><br>_____ |
|   |   | <b>Total value of taxable land</b>       |

| Calculating: Land Tax only               | Calculating: Land Tax and FILTS       |
|--|---------------------------------------|
| Land tax assessed \$7 737.50             | FILTS assessed \$8 000.00             |
| Less: Payment \$2 579.15                 | Less: Payment ** \$2 666.70           |
| <b>Total land tax payable \$5 158.35</b> | <b>Total FILTS payable \$5 333.30</b> |
| <br>                                     | <br>                                  |
| \$5 158.35 x \$190 000                   | \$5 333.30 x \$190 000                |
| _____                                    | _____                                 |
| \$900 000                                | \$400 000                             |
| <br>                                     | <br>                                  |
| <b>Amount payable \$1 089.00 *</b>       | FILTS amount payable \$2 533.30       |
|  | Land tax amount payable \$1 089.00    |
|  | (see calculations in left hand box)   |
|  | <br>                                  |
|  | <b>Amount payable \$3 622.30 *</b>    |

\* Where a tax default has occurred on the account, the vendor is required to pay the total amount of tax in default plus any interest and penalty tax imposed. In such cases, a legal practitioner or conveyancer's undertaking may be accepted to ensure that payment of the outstanding amount will occur on settlement.

\*\* FILTS 'Payment' is the total land tax and FILTS payable for the financial year, divided by three (for three instalments), less the land tax portion i.e. \$15 737.50 ÷ 3 = \$5 245.85 - \$2 579.15 = \$2 666.70

## Scenario 6: Property sold that has no assessed land value

- the vendor owns 10.28 hectares of land ('Parent property');
- the parent property has been partially subdivided into two child properties;
- Child property 'Block A' has sold for \$300 000;
- the newly subdivided lots have not been valued by the Valuer-General and therefore do not have an ALV; and
- no overdue land tax.

| Property  | Assessable Land Value (ALV) |
|---|-----------------------------|
| Parent property (10.28ha) (taxable + FILTS-able)            | \$1 500 000                 |
| Child property - Block A (2ha - consideration of \$300 000) | Not valued                  |
| Child property - Block B (2ha - pending sale)               | Not valued                  |
| Balance of parent property (6.28ha)                         | Not valued                  |

The amount of land tax payable in respect of child property 'Block A' being sold is calculated as follows:

$$\text{Tax on (Parent property ALV + 'Block A' consideration)} \times \frac{\text{'Block A' consideration}}{\text{Parent property ALV + 'Block A' consideration}}$$

*(plus interest and penalty tax if applicable)*

| Calculating: Land Tax only                                    | Calculating: Land Tax with FILTS                              |
|---|---|
| Land tax on Parent property + 'Block A' \$21 237.50           | Land tax on Parent property + 'Block A' \$21 237.50           |
| \$21 237.50 x $\frac{\$300\,000}{\$1\,500\,000 + \$300\,000}$ | FILTS on Parent property + 'Block A' \$36 000.00              |
| <b>Amount payable \$3 539.60 *</b>                            | <b>Total land tax payable \$57 350.00</b>                     |
|   | \$57 350.00 x $\frac{\$300\,000}{\$1\,500\,000 + \$300\,000}$ |
|   | <b>Amount payable \$9 539.60 *</b>                            |

\* Where a tax default has occurred on the account, the vendor is required to pay the total amount of tax in default plus any interest and penalty tax imposed. In such cases, a legal practitioner or conveyancer's undertaking may be accepted to ensure that payment of the outstanding amount will occur on settlement.





## More information

### Website

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

### Email

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

### Phone

(03) 6166 4400

1800 001 388

(weekdays, 9:00am to 5:00pm)

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The Commissioner of State Revenue

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