



Overview

Section 19(2) of the *Duties Act 2001* (the Act) provides that the consideration for the dutiable transfer of land does not include the consideration relating to relevant improvements performed on the dutiable property after the relevant agreement was entered into, but before the date of the dutiable transaction, provided certain criteria are met.

What are the eligibility requirements for the reduction of dutiable value?

1. The transferor or associated person effects improvements to the dutiable property after the agreement for sale was entered into; and
2. The improvements involve the construction of a single home (other than a flat, home unit or other similar building) that may be or is intended to be occupied as a place of residence, which will comply with the [Building Act 2016](#); and
3. There was no building existing that might be lawfully occupied as a place of residence on the land at the time the agreement was entered into;
4. the transferee has not made an application under section 46W of the Act; and
5. the transferee has lodged an application with the Commissioner to have section 19(2) of the Act applied.

What evidence is required to claim a reduction of dutiable value?

The documentary evidence required for a reduction of dutiable value to satisfy the requirements under section 19(2) of the Act are as follows:

- original transfer instrument;
- contract of sale;
- completed [Reduction in Dutiable Value Application](#);
- the date building commenced (a copy of the Start Work Authorisation);
- the date the building was finalised (copy of the Occupancy Certificate/Certificate of Completion); and
- a statement of what were the improvements on the property as at the date of the relevant agreement.

For more information

[Documentary Evidence Requirements Guideline](#)



Entering the transaction in TRO

- Enter the transaction as a *Property Transfer*.
- On the *Transaction information* screen:
 - a) enter the transfer date (this will be reflected on the transfer instrument);
 - b) enter the consideration - this should be the total consideration for both the land and improvements.
- On the *Exemptions and concessions* screen:
 - a) enter 19(2) in the Exemption/concession section field and select 19(2) from the options.

Exemptions and concessions

Is an exemption or concession being sought? Yes

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

19(2) Transfer where improvements were agreed to be made after the contract
Category Type: Transferee claiming an entitlement to the property, part of the property, or interest in the property being transferred

- b) enter the value of improvements made by the transferor after the relevant agreement was entered into.

Exemption/concession section

Evidence Type:

Links:
[Documentary evidence guideline](#)
[Amendments to section 19\(2\) of the Duties Act 2001 Fact Sheet](#)

You must retain sufficient evidence to support the application of the exemption or concession

Value of improvements made by the transferor after the relevant agreement

This transaction must be submitted to the State Revenue Office (SRO) for approval.



Frequently Asked Questions

Q. What consideration do I enter in TRO?

A. On the *Transaction information* screen, enter the consideration as usual. On the *Exemption and concessions* screen, select Section 19(2) from the 'Exemption/concession section' list and enter the value of the improvements made by the transferor after the relevant agreement.

Q. Why does duty on the 'total duty' display in TRO when a concession has been applied under section 19(2)?

A. The total duty is displayed until the concession rate of duty is approved by the SRO.

Q. Why are section 19(2) applications submitted to the SRO for approval?

A. Applications for section 19(2) are submitted to the SRO because the transaction is not authorised to be completed on TRO. The SRO assesses transactions individually to ensure all elements of section 19(2) have been met.

Q. I purchased a spec. home from a registered builder. Is section 19(2) applicable?

i) **Yes:** providing that the spec. home was built after the contract of sale was entered into, and all other criteria have been met.

If the spec. home was partially built but is not yet a dwelling that could be legally occupied as a residence, the dutiable value can be reduced by the value of improvements made after the contract of sale was entered into.

ii) **No:** if the spec. house was fully built and could be legally occupied as a residence at the time the contract of sale was entered into.

Q. I have entered into an agreement to purchase a new townhouse off the plan. Would section 19(2) be applicable?

i) If the townhouse is conjoined, section 19(2) does **not** apply.

ii) If the townhouse is a standalone residence on its own title, section 19(2) **may** apply. Please check with the SRO for more information.

Q. When I entered into my agreement there was a dwelling on the property, however the dwelling was not habitable.

A. If the dwelling was not able to be lived in because it was not legally habitable, it is possible that section 19(2) **may** apply. Please check with the SRO for more information.

Q. How do I apply for the concession?

A. Provide the documentary evidence set out on page one of this factsheet, including a completed Application to Reduce the Dutiable Value - section 19(2).

Q. Three buildings were built on my property - a house, a garage and a shed. Do I still meet the single home requirements?

A. Yes. If there is a single home only on your property, having more than one building does not prevent you from meeting the single-home requirement.

Q. My home has its own title but shares a wall with the adjacent home, which is on a separate title. Is my home considered a single home for the purposes of section 19(2)?

A. No. Your home is not standalone and is not considered a single home for the purposes of section 19(2).