

Revenue Ruling

Land Tax Act 1936

LT002

QUARTERLY INSTALMENTS - INTEREST & PENALTY TAX

Preamble

Since the 2005-2006 financial year land tax payers have the option of paying their land tax liability either in one annual payment or by quarterly instalments.

If a land taxpayer chooses to pay by way of quarterly instalments, the first instalment will be due for payment thirty days after the account is issued, with the three remaining instalment payments due ninety days after the instalment immediately preceding it.

Property owners who take up the instalment option will receive further notices to pay the relevant quarterly instalment approximately thirty days prior to the due date of that instalment.

Ruling

Interest or penalty tax will not apply to the quarterly instalment payment option, unless a default occurs. A default in the payment of any of the four instalments (i.e. payment not made by the due date or payment of only a portion of the instalment amount due) will result in the full annual amount outstanding becoming immediately due and payable.

Property owners in default will be issued a further assessment (final notice) for the full annual amount outstanding, which will include penalty tax and interest payable on the amount outstanding.

The *Taxation Administration Act 1996* sets a flat penalty tax of 75% of the unpaid tax in instances of deliberate non-payment, or 25% for any other situation. The Commissioner of State Taxation may exercise discretion to remit penalty tax payable by a taxpayer by any amount.

From the 2005-2006 year, in the first instance, the rate of penalty tax of 25% will be remitted to 5% of the amount of primary land tax outstanding, provided the further assessment is paid in full by the due date. Failure to pay the further assessment may lead to a greater level of penalty tax being payable.

Further Information

Further information can be obtained from RevenueSA.

Location	RevenueSA State Administration Centre 200 Victoria Square East ADELAIDE SA 5000
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History

This Revenue Ruling is effective from 19 January 2011 and replaces:

Document	Issue Date
<u>Circular 257</u>	30 May 2005

Mike Walker
COMMISSIONER OF STATE TAXATION

19 January 2011