

SOUTH AUSTRALIA



STATE TAXATION OFFICE

Land Tax

**Circular No. 46
(formerly LT Circular No. 2)**

**LAND USED FOR PRIMARY PRODUCTION
-EXEMPTION CRITERIA**

The criteria for exemption from land tax for land used for primary production are as follows:

1 LAND OUTSIDE METROPOLITAN ADELAIDE

(See below for definition of Metropolitan Adelaide)

Land which is not less than 0.8 hectare in area and which the Commissioner of Land Tax is satisfied is used wholly or mainly for the business of primary production is exempt from land tax.

(Where the Valuer-General has applied an eligible land use code to land which satisfies the above criteria it receives an automatic exemption from land tax.)

2 LAND WITHIN METROPOLITAN ADELAIDE

Where land is located within Metropolitan Adelaide the following additional criteria must be satisfied before exemption is granted.

(a) **The principal business of the owner/s of the land** must be primary production of the type for which the land is used and the land must be used to a significant extent for the purposes of that business;

or

(b) **The principal business of the owner/s of the land** must be the business of processing or marketing primary produce and the land or produce of the land must be used to a significant extent for the purposes of that business.

Metropolitan Adelaide (referred to as a defined rural area in Section 12c of the Land Tax Act) covers an area from approximately Willunga, south of Adelaide to Gawler, north of Adelaide and from the coastline in the west to the inner Mt Lofty Ranges in the east.

In addition portion of the Municipality of Mt Gambier is a defined rural area and the additional criteria which apply to Metropolitan Adelaide also apply to this area.

Where land is located within Metropolitan Adelaide or in the Municipality of Mt Gambier it is necessary for the owner of the land to complete an application form for the exemption and to provide material to support the application, e.g. copies of income tax returns, financial statements etc.

The following points should be noted.

- (a) Where land is in joint ownership **all** of the joint owners must satisfy the criteria for exemption.
- (b) Where the owner of the land leases out the land in return for rent the criteria for exemption are not satisfied even though the lessee may use the land for primary production.
- (c) Agistment of livestock on land is not the business of primary production.

Any land owners seeking information on the eligibility of their land for exemption, including whether or not they are within a defined rural area, should contact the Land Tax Office on either telephone number 226 3730 or 226 3746.

8 November, 1991

COMMISSIONER OF LAND TAX