

## SOUTH AUSTRALIA



RevenueSA

**Stamp Duties**

**Circular No. 181**  
**(replaces Circulars 24,**  
**122, and 139)**

### **FIRST HOME CONCESSION**

This Circular sets out the eligibility requirements necessary to receive a concession, but does not include the requirements relating to the 1997 extension of the Scheme.

Circular No. 93 sets out the requirements for a First Home Concession on purchase of land used for primary production.

Circular No. 148 provides information relating to the extension to the First Home Concession Scheme (assented to on 27 March 1997) which applies to conveyances arising from contracts entered into between 1 February 1997 and 31 January 1998.

### **CONCESSION AMOUNT AND DATE OF OPERATION**

New application forms have been prepared and are available from the Taxpayer Services Section, on the ground floor of the State Administration Building. These forms should be used for contracts entered into on or after 1 August 1996 with the exclusion of those entered into between 1 February 1997 and 31 January 1998.

Conveyances arising from contracts entered into (on or after 1 September 1992) by purchasers meeting the eligibility requirements of Section 71C of the *Stamp Duties Act 1923*, receive a full concession from stamp duty where the value of the property purchased does not exceed \$80,000. The amount of the concession is reduced when the value of the property exceeds \$80,000.

Conveyances arising from contracts entered into prior to 1 September 1992 will receive a concession up to \$2,130 (regardless of the value of the property conveyed) providing that the eligibility criteria applying under the legislation which was in force prior to 1 September 1992 are met.

### **WHO IS ELIGIBLE**

- Applicant(s) must be natural person(s) (i.e. benefits are not available to a corporation etc.)

- Applicant(s) must have entered into a contract for the purchase of:
  - a relevant interest in land

or

- shares in a company that confer a right to occupy land of the company (a copy of the contract is to be produced with the conveyance/transfer).
- Applicant(s) must be the sole purchaser of the land or shares.
- No party to the application may have previously occupied a dwellinghouse, holiday house, flat or home unit (except as a minor) either in South Australia, Australia or elsewhere in pursuance of:-
  - (i) any estate or interest conferring a right to possession (excepting any leasehold estate or interest other than that arising under a perpetual lease) of that party of the dwellinghouse; or,
  - (ii) any interest of that party in shares conferring a right to occupy dwellinghouse.
- No party to the application may have previously received any benefit under the First Home Buyers Stamp Duties Concession Scheme (other than a concession granted in pursuance of a transfer of an interest under the South Australian Housing Trust Shared Ownership Scheme arising from the same agreement).
- The dwellinghouse must constitute the applicant(s) principal place of residence, or the applicant(s) must intend that the dwellinghouse will be the principal place of residence.
- If the applicant(s) meets the criteria, previous ownership of vacant, commercial or industrial property does not preclude the applicant(s) from gaining a concession.

## REQUIREMENTS FOR APPLICATION

### 1. Vacant Land with intention to build

**Applicant(s) must intend to occupy the dwellinghouse, as their principal place of residence, within 12 months of the date of the completion of construction.**

- A construction contract and contract for sale & purchase of the land to which the construction contract relates must accompany the application & transfer prior to stamping.

or

### 2. Vacant Land where Stamp Duty has been paid (before a construction contract was entered into to build a dwellinghouse on that land).

**Applicants must occupy the dwellinghouse as their principal place of residence, within 12 months of the date of conveyance/transfer.**

- The construction contract and contract for sale & purchase of the land must accompany the application.
- A Stamp Duties Refund Form is to be lodged with the application.
- In the case of an owner/builder, evidence of purchase of materials etc. is required.

or

### 3. Purchase of Dwellinghouse

**Applicants must occupy the dwellinghouse as their principal place of residence, within 12 months of the date of conveyance/transfer.**

- The concession is not available where the dwellinghouse is to be used for rental or investment purposes.
- A Contract for Sale & Purchase of the land must accompany the application & transfer.

**BASIS OF CALCULATING THE CONCESSION FROM 1 SEPTEMBER, 1992**

Properties with a purchase price or value of \$80,000 or less will receive a concession up to a maximum of \$2,130 and no stamp duty will be payable on the conveyance of the land. No concession will be available on properties with a purchase price or value in excess of \$130,000.

The chart below illustrates the concession and duty payable for properties with a purchase price or value between \$80,000 and \$130,000.

Consideration \$	Concession	New Duty Payable	Consideration \$	Concession	New Duty Payable
0 - 80,000	\$2,130	\$0	105,000	\$1,080	\$1,950
81,000	\$2,088	\$77	106,000	\$1,038	\$2,032
82,000	\$2,046	\$154	107,000	\$996	\$2,114
83,000	\$2,004	\$231	108,000	\$954	\$2,196
84,000	\$1,962	\$308	109,000	\$912	\$2,278
85,000	\$1,920	\$385	110,000	\$870	\$2,360
86,000	\$1,878	\$462	111,000	\$828	\$2,442
87,000	\$1,836	\$539	112,000	\$786	\$2,524
88,000	\$1,794	\$616	113,000	\$744	\$2,606
89,000	\$1,752	\$693	114,000	\$702	\$2,688
90,000	\$1,710	\$770	115,000	\$660	\$2,770
91,000	\$1,668	\$847	116,000	\$618	\$2,852
92,000	\$1,626	\$924	117,000	\$576	\$2,934
93,000	\$1,584	\$1,001	118,000	\$534	\$3,016
94,000	\$1,542	\$1,078	119,000	\$492	\$3,098
95,000	\$1,500	\$1,155	120,000	\$450	\$3,180
96,000	\$1,458	\$1,232	121,000	\$408	\$3,262
97,000	\$1,416	\$1,309	122,000	\$366	\$3,344
98,000	\$1,374	\$1,386	123,000	\$324	\$3,426
99,000	\$1,332	\$1,463	124,000	\$282	\$3,508
100,000	\$1,290	\$1,540	125,000	\$240	\$3,590
101,000	\$1,248	\$1,622	126,000	\$198	\$3,672
102,000	\$1,206	\$1,704	127,000	\$156	\$3,754
103,000	\$1,164	\$1,786	128,000	\$114	\$3,836
104,000	\$1,122	\$1,868	129,000	\$72	\$3,918
			130,000	\$30	\$4,000

**Examples:-**

- (1) Conveyance duty on a purchase price of \$99,250 = \$2,805.50  
 Less concession on purchase price rounded up to nearest thousand (\$100,000) - \$1,290.00  
 Difference equals duty payable = \$1,515.50
- (2) Conveyance duty on a purchase price of \$110,000 = \$3,230.00  
 Less concession on purchase price rounded up to nearest thousand (\$110,000) - \$870.00

Difference equals duty payable	= <u>\$2,360.00</u>
(3) Conveyance duty on a purchase price of \$122,500	= \$3,730.00
Less concession on purchase price rounded up to nearest thousand (\$123,000)	- <u>\$324.00</u>
Difference equals duty payable	= <u>\$3,406.00</u>

## OFFENCE PROVISIONS

Applicants should be aware that persons who make false or misleading statements in a First Home Concession application are liable to a maximum penalty under section 55 of the *Taxation Administration Act 1996*, of \$10,000.

This Office will actively pursue cases that fall into this category.

## COMPLIANCE MONITORING

To ensure that the concession is being received only by first home owners who meet the requirements of the legislation, this Office will continue verification programs to ensure maximum compliance.

## FURTHER INFORMATION

### *Location*

RevenueSA  
Taxpayer Services  
State Administration Centre  
200 Victoria Square East  
ADELAIDE SA 5000

### *Postal*

Commissioner of State Taxation  
RevenueSA  
Box 1353 GPO  
ADELAIDE SA 5001

### *Telephone*

(08) 8226 3750

### *Facsimile*

(08) 8226 3734

### *Website*

<http://www.treasury.sa.gov.au/tax.html>

### *E-mail*

revenuesa@saugov.sa.gov.au