

Revenue Ruling

Land Tax Act 1936

LT003

LAND TAX RELIEF UPON MOVING INTO RESIDENTIAL CARE ON AN ONGOING BASIS

Preamble

The Commissioner of State Taxation (the "Commissioner") is responsible for the administration of the *Land Tax Act 1936* (the "Act").

The Act provides that an owner of land is liable for land tax levied in respect of that land for the full financial year. The tax is calculated as at midnight on 30 June immediately prior to the financial year for which the tax is to be levied on the basis of circumstances then existing.

Section 5 of the Act provides an exemption from land tax where land is owned by a natural person for whom the land constitutes his or her principal place of residence.

In cases where the registered owner of the land temporarily leaves their principal place of residence and moves into a residential care facility or hospital due to illness or incapacity, the land tax exemption will remain on the property provided the property is not rented and they return within twelve months.

However, in the circumstances where a person moves into a residential care facility and a return to the family home is unlikely, the residential exemption is removed. There are also no provisions in the Act which permit the Commissioner to waive the land tax in these circumstances.

Ruling

The Minister for Finance has approved, on a case-by-case basis, the provision of *ex gratia* relief from land tax for land for the first financial year where the owner of the land has moved on an ongoing basis into "residential care" provided by an "approved provider" (both terms as defined under the Commonwealth Aged Care Act 1997).

The relief is available from the 2012-13 financial year onwards and is conditional upon the property having been occupied by the land owner as their principal place of residence from which they have moved into the residential care facility, and the property not being leased between that time and the time that the land is transferred or sold.

This relief is only available where persons apply in writing to RevenueSA and supply the information required.

Applications will need to include a copy of the residential care facility admission letter for the owner of the land.

Further Information

Further information can be obtained from RevenueSA.

Location	RevenueSA State Administration Centre 200 Victoria Square East ADELAIDE SA 5000
Postal	Commissioner of State Taxation RevenueSA GPO Box 1647 ADELAIDE SA 5001
Telephone	(08) 8204 9870
Facsimile	(08) 8207 2100
Email	landtax@sa.gov.au
Website	www.revenuesa.sa.gov.au

History

This Revenue Ruling is effective from the 2012-13 financial year onwards.

This is the first Revenue Ruling issued on this topic.

Mike Walker
COMMISSIONER OF STATE TAXATION

29 January 2013