

SOUTH AUSTRALIA



STATE TAXATION OFFICE

Stamp Duties

**Circular No. 139
(replaces No. 139
dated 20 June, 1996)**

FIRST HOME CONCESSION

This circular sets out what is now required to be eligible to receive the concession.

CONCESSION AMOUNT AND DATE OF OPERATION

A new application form has been prepared. Forms are available from the Taxpayer Services Section and should be used for contracts entered into on or after 1 August 1996.

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, are exempt 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 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 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 residence; or,
 - (ii) any interest of that party in shares conferring a right to occupy the residence.
- 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, intend to constitute, the applicant(s) 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

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 must accompany the application & transfer prior to stamping.

or

Vacant Land where Stamp Duty has been paid (before a construction contract was entered into to build a dwellinghouse)

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 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

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 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. 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 = \$2,360.00
- (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) = -\$324.00
 Difference equals duty payable = \$3,406.00

OFFENCE PROVISIONS

Applicants should be aware that there are offence provisions for persons who make false or misleading statements in a first home concession application. The penalty under Section 107 of the Stamp Duties Act, 1923, where there is intent to evade is \$10,000 or in any other case \$2,000. However where the matter is dealt with by expiation notice which allows for the dismissal of the claim, payment of \$200 plus duty will be due. Refer to Circular 122.

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 inspection programmes to ensure maximum compliance. This will involve contact with the persons receiving the concession and the person lodging the application for concession. Investigators from this Office may also visit properties to ensure that the applicant is residing on the property.

Any enquiries should be directed to the State Taxation Office on telephone (08) 226 3750.

September, 1996

COMMISSIONER OF STAMPS

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