



General

Circular No. 305

STATE BUDGET 2008-2009

BACKGROUND

The *Statutes Amendment (Budget 2008) Act 2008* ("the Amending Act") which gives effect to measures announced by the Government in the State Budget on 5 June 2008 was assented to by His Excellency the Governor, today, 31 July 2008.

(RevenueSA Circular No 288 issued on 5 June 2008 outlines the proposed Budget changes).

PAY-ROLL TAX

The pay-roll tax measures in the Amending Act were:

In relation to wages paid or payable on or after 1 July 2008:

- An increase in the payroll tax threshold from \$504,000 to \$552,000.

(The pay-roll tax rate will also be reduced to 5% for wages paid or payable on or after 1 July 2008 which was a measure announced in the 2007-2008 budget and which has already been passed by Parliament).

In relation to wages paid or payable on or after 1 July 2009:

- a further increase in the pay-roll tax threshold to \$600,000; and
- a reduction in the payroll tax rate from 5.00 per cent to 4.95 per cent.

FIRST HOME BONUS GRANT

First home buyers who qualify for the Government's \$7,000 First Home Owner Grant ("FHOG") are eligible for a first home bonus grant of up to \$4,000 subject to satisfying one further eligibility criterion.

The first home bonus grant is available to first home buyers who have entered into a first home contract on or after 5 June 2008 and for owner builders who commence construction on or after 5 June 2008, subject to applicants meeting the eligibility criteria for the FHOG.

A \$4,000 first home bonus grant will be provided in respect of first homes with a market value up to \$400,000. The \$4,000 bonus will phase out for first homes with a market value between \$400,000 and \$450,000 at a rate of \$8 for every \$100 in excess of \$400,000.

STAMP DUTY FIRST HOME CONCESSION

The Stamp Duty First Home Concession scheme will no longer apply where a conveyance:

- gives effect to a contract entered into on or after 5 June 2008;
- relates to land where a party to the conveyance has on or after 5 June 2008 entered into a contract for the construction of a home on the land; and
- relates to land where the construction of a dwelling house has commenced on or after 5 June 2008.

FURTHER INFORMATION

Further information regarding these changes can be obtained from RevenueSA.

Location

RevenueSA
State Administration Centre
200 Victoria Square East
ADELAIDE SA 5000

Postal

Commissioner of State Taxation
RevenueSA
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COMMISSIONER OF STATE TAXATION