

Revenue Ruling

Stamp Duties Act 1923
Land Tax Act 1936

SDALT001[V2]

TAX RELIEF MEASURES FOR THOSE IMPACTED BY THE BUSHFIRES

Introduction

The South Australian Government has announced a number of tax relief measures for those impacted by the bushfires in a specified bushfire area (the “Bushfires”), as outlined below.

Tax Relief Measures

Tax/Duty	Situation	Measure
Motor Vehicle (Stamp Duty)	Purchase of replacement motor vehicle(s) by a person because existing vehicle(s) destroyed in the Bushfires.	Relief of stamp duty of up to \$1940 for replacement passenger vehicles and \$1470 for replacement commercial vehicles. For replacement vehicles valued above \$50 000, relief is capped at \$1940 for a passenger vehicle and \$1470 for a commercial vehicle with the balance of the duty payable. Case-by-case relief considered where more than two vehicles registered to the same owner are destroyed.
Land Transfers (Stamp Duty)	Purchase of replacement home or vacant land on which a replacement home will be built within 3 years from the date of purchase because existing home destroyed in the Bushfires.	Relief of up to \$48 830 in stamp duty on a replacement home or vacant land on which a replacement home will be built within 3 years from the date of purchase. For replacement homes or vacant land valued above \$1 million, the duty relief is capped at \$48 830 with the balance of the duty payable.
Land Tax	Property destroyed or substantially damaged.	Relief of 2019-20 and 2020-21 land tax liabilities for affected properties. A refund will be available on any land tax paid for 2019-20 for affected properties.
	Property affected but not destroyed or substantially damaged.	Relief of 2020-21 land tax liability considered on a case-by-case basis.

This Revenue Ruling sets out the details of the administrative arrangements now put in place to provide relief from stamp duty, land tax and other related charges to those impacted by the Bushfires.

Specified Bushfire Area

Relief will be considered for those impacted by the Bushfires in the Local Government Areas of Adelaide Hills, Kangaroo Island, Mount Barker, Murray Bridge, Mid-Murray, Yorke Peninsula and Kingston District, which is consistent with the scope of the grant assistance announced by the Commonwealth Government.

If you have been impacted by bushfires outside of the Local Government Areas mentioned above, you should contact RevenueSA and the provision of relief will be considered on a case-by-case basis.

Discussion

Stamp Duty

Purchase of a replacement home or vacant land on which a replacement home will be built within 3 years from the date of purchase

The Government is providing once only *ex gratia* stamp duty relief for those impacted by the Bushfires who purchase a replacement home or vacant land on which a replacement home will be built within 3 years from the date of purchase because their existing home has been destroyed in the Bushfires.

Stamp duty relief of up to \$48 830 will apply to the purchase of a replacement home or vacant land on which a replacement home will be built within 3 years from the date of purchase as a result of the Bushfires and will be available up to 20 January 2024. For replacement homes or land valued above \$1 million, the duty relief is capped at \$48 830 with the balance of the duty payable.

To be eligible for the relief, the applicant must be the owner of the home destroyed.

An applicant must satisfy the Commissioner of State Taxation (the “Commissioner”) that the replacement home or vacant land being purchased is replacing an existing home that has been destroyed by the Bushfires. Evidence that the existing home was destroyed is required (e.g. police report, insurance claim form).

Where vacant land is purchased on which a replacement home will be built, the relief is subject to the requirement that the replacement home is built within 3 years from the date of purchase. RevenueSA reserves the right to recover the relief, such that the applicant would then be liable to pay the stamp duty, if the home is not built on the vacant land within 3 years from the date of purchase.

In the absence of any evidence in regard to the destroyed home, a declaration setting out in full the details of the home destroyed should be provided to the Commissioner.

Applications

The Transfer and evidence must be lodged with RevenueSA for assessment.

Practitioners should lodge the Transfer and evidence through the RevenueSA Online portal for assessment. Please ensure the note section clearly states that Bushfire Relief is requested and includes details of the destroyed property (e.g. Certificate of Title, property address).

Registration Fees

The Registrar-General will provide similar relief as to that provided by RevenueSA in regards to Stamp Duty for eligible transfers of land. For information on other documents and searches that are eligible in this program of relief we ask that you contact Land Services SA via email customersupport@landservices.com.

Purchase of replacement vehicles

The Government will also provide *ex gratia* relief to those impacted by the Bushfires for stamp duty associated with the replacement of vehicles.

The relief will apply to the replacement of motor vehicles destroyed in the Bushfires and will be available to all vehicles registered as replacements up to and including 1 April 2022.

Relief will apply to vehicles used on a public road, farm vehicles that are required to be registered and any other self-propelled or trailed vehicle that was destroyed in the Bushfire where a replacement is required to be registered.

The *ex gratia* relief will be provided in relation to stamp duty payable on an application to register a new vehicle or an application to transfer the registration of a second-hand motor vehicle (up to \$1940 for replacement passenger vehicles or up to \$1470 for replacement commercial vehicles).

For replacement vehicles valued above \$50 000, relief is capped at \$1940 for a passenger vehicle and \$1470 for a commercial vehicle with the balance of the duty payable.

Applications

Applicants must provide sufficient information to Service SA to satisfy the Registrar of Motor Vehicles that the vehicle being registered is replacing a vehicle destroyed by the Bushfire. If a replacement vehicle has already been purchased and stamp duty paid, Service SA can facilitate a refund.

To claim relief you must provide Service SA with the registration details of the vehicle to be replaced, together with any evidence that the vehicle was destroyed (e.g. police report, insurance claim form).

In the absence of any evidence that the vehicle was destroyed, a declaration setting out in full the details of the vehicle destroyed should be provided to the Registrar of Motor Vehicles.

However, where the destroyed vehicle did not have a residential/garaging address within the Specified Bushfire Area, an applicant must provide evidence that the vehicle in question has been destroyed. A declaration will not be sufficient in these circumstances.

A vehicle purchased to replace a vehicle that has not been registered for over two years prior to the Bushfires will not be eligible for *ex gratia* relief.

Applications where less than two vehicles registered to the same owner are destroyed can be made in person at any branch of Service SA. Case-by-case relief will be considered where more than two vehicles registered to the same owner are destroyed.

Land Tax

The Government will also provide *ex gratia* land tax relief for properties destroyed, substantially damaged, affected but not destroyed or substantially damaged as part of the Bushfires.

Property destroyed or substantially damaged

The relief will be available for the 2019-20 and 2020-21 land tax liabilities for properties that have been destroyed or substantially damaged.

Applications

RevenueSA are working with relevant authorities to identify properties that are eligible for the relief and will apply the relief for the 2019-20 and 2020-21 financial years.

Properties owners who have not received the relief, but believe they are entitled to the relief can apply to RevenueSA along with evidence (e.g. police report, insurance claim form) that satisfies the Commissioner that the property has been destroyed or substantially damaged.

In the absence of any evidence in regard to the destroyed or substantially damaged home, a declaration setting out in full the details of the home destroyed or substantially damaged should be provided to the Commissioner.

A refund will be available on any land tax already paid for 2019-20 for affected properties. RevenueSA will be generating these refunds once these properties have been identified.

Property affected but not destroyed or substantially damaged

The relief will be available for the 2020-21 land tax liabilities for properties that were affected by the Bushfires, but not destroyed or substantially damaged.

Applications

Applications can be made to RevenueSA along with supporting documents and will be considered on a case-by-case basis.

Further Information

Website	www.revenuesa.sa.gov.au
Email	revenuesa@sa.gov.au
Telephone	(08) 8226 3750

History

This is the second Revenue Ruling issued on this topic. This Revenue Ruling is effective from 29 September 2020 and replaces:

Document	Issue Date
SDALT001.V.1	28 February 2020

Julie Holmes
COMMISSIONER OF STATE TAXATION

29 September 2020