

FIRST HOME OWNERS BOOST

On 14 October 2008, the Australian Government announced that it was introducing the First Home Owners Boost, which together with the current \$7000 First Home Owner Grant ("FHOG") will provide first home buyers with up to \$21 000 on houses purchased before 30 June 2009.

The Boost applies to contracts entered into on or after 14 October 2008 and will leverage off the administration of the current FHOG scheme (Noting that some details are yet to be finalised with the Commonwealth).

The First Home Owners Boost will provide an additional \$7000 to first home buyers purchasing an established home before the end of June 2009. First home buyers purchasing a newly-constructed home will receive an additional \$14 000 on contracts entered into before the end of June 2009.

The following outlines the arrangements for the Boost scheme. Forms, fact sheet and frequently asked questions are available at www.revenuesa.sa.gov.au.

FIRST HOME OWNERS BOOST BENEFITS

Established homes

First home buyers purchasing an established home may be eligible for the \$7000 boost benefit in addition to the existing \$7000 grant, bringing the benefits to \$14 000. This added to the potential eligibility for the First Home Bonus Grant may bring the total benefits to \$18 000.

New homes

First home buyers building a new home or purchasing a newly constructed home may be eligible for the \$14 000 boost benefit in addition to the existing \$7000 grant, bringing the benefits to \$21 000. This added to the potential eligibility for the First Home Bonus Grant may bring the total benefits to \$25 000.

Where a newly constructed home is being purchased, it must be the first sale of that home. The home must also have never been previously occupied as a place of residence, including occupation by the builder, a tenant or other occupant.

Substantially renovated homes may be considered as a new home. Where a substantially renovated home is being purchased, it must be the first sale of the home since it was substantially renovated. The home, since being substantially renovated, must also have never been previously occupied as a place of residence, including occupation by the builder, a tenant or other occupant.

Substantial renovations of a building are renovations where the entire building, or substantially all of the building, has been removed or replaced.

Note: Where the consideration is less than the total benefit available, the applicant will be entitled to an amount equal to the value of the consideration. Consideration is the purchase price or the value of the construction contract or the construction costs of the home but does not include owner builders own labour.

ELIGIBILITY CRITERIA

To be eligible for a First Home Owners Boost benefit, first home buyers must satisfy the requirements of the existing \$7000 First Home Owner Grant and the additional First Home Owners Boost requirements.

EXISTING FIRST HOME OWNER GRANT ELIGIBILITY CRITERIA

- An applicant must be a natural person (i.e. not a company or trust), at least 18 years of age and whose interest in the property is not held subject to a trust.
- At least one applicant is an Australian citizen or a permanent resident.
- All applicants must reside in the home as their principal place of residence for a continuous period of at least 6 months commencing within 12 months of completion of the eligible transaction.
- An applicant must not have previously received a First Home Owner Grant in any State or Territory of Australia.
- An applicant must not have previously owned or held a relevant interest in a residential property anywhere in Australia prior to 1 July 2000.
- An applicant must not have occupied for a continuous period of at least 6 months, a residential property in which they acquired a relevant interest on or after 1 July 2000 anywhere in Australia.

ADDITIONAL ELIGIBILITY CRITERIA FOR FIRST HOME OWNERS BOOST

Established homes

To be eligible for the \$7000 boost benefit for the purchase of an established home, first home buyers must have entered into a contract for the purchase of an established home between 14 October 2008 and 30 June 2009 (inclusive).

New homes being purchased under a contract

To be eligible for the \$14 000 boost benefit for the purchase of a newly constructed home, first home buyers must have entered into a contract for the purchase of a newly constructed home between 14 October 2008 and 30 June 2009 (inclusive).

New homes being built under a building contract

To be eligible for the \$14 000 boost benefit for building a new home, first home buyers must have entered into a contract to build a home between 14 October 2008 and 30 June 2009 (inclusive). In addition:

- construction must commence within 26 weeks of the contract; and
- the contract must specify a completion date for building work within 18 months of the construction commencing or construction must actually be completed within 18 months of the construction commencing.

New homes being purchased 'off the plan'

To be eligible for the \$14 000 boost benefit for purchasing a new home 'off the plan' the contract must be made between 14 October 2008 and 30 June 2009 (inclusive) and the contract must specify a completion date on or before 31 December 2010 or in any other case the eligible transaction must be completed on or before 31 December 2010.

New homes being built by an owner builder

To be eligible for the \$14 000 boost benefit for building a new home as an owner builder, construction (i.e. laying foundations) must commence between 14 October 2008 and 30 June 2009 (inclusive) and construction must be completed within 18 months of the construction commencing.

Ineligible first homes

The First Home Owners Boost scheme will not apply when:

- a contract to purchase or build a home replaces a rescinded contract made before 14 October 2008 to purchase the same home or to build the same, or a substantially similar, home;
- a contract to purchase or build a home was made, or in the case of owner builders construction commenced, before 14 October 2008; or
- a contract to purchase or build a home was made or, in the case of owner builders construction commenced, on or after 1 July 2009.

Note: The existing \$7000 First Home Owner Grant will continue to be available to first home owners after 1 July 2009.

APPLICATIONS

To apply for the \$7000 First Home Owners Boost benefit for an established home, first home owners will only need to complete the \$7000 First Home Owner Grant application form.

To apply for the \$14 000 First Home Owners Boost for building a new home or purchasing a newly constructed home, first home owners will need to complete:

- the \$7000 First Home Owner Grant application form; and
- the Addendum to the First Home Owner Grant Application - Application form to claim the \$14 000 First Home Owners Boost for New Homes.

The Application for the First Home Owner Grant and the Addendum for the First Home Owners Boost benefits can be downloaded from www.revenuesa.sa.gov.au or obtained by contacting RevenueSA.

FALSE CLAIMS AND PENALTIES

There are substantial penalties for dishonestly providing incorrect or misleading information in connection with an application for the first home benefits. RevenueSA conducts investigations and compliance checks to ensure first home owner grant and boost benefits are only provided to applicants entitled to receive them.

RevenueSA audits applications with current and historical data held by other State and Territory agencies and commercial organisations.

FURTHER INFORMATION

Further information regarding these amendments may be obtained from RevenueSA.

Location

RevenueSA
State Administration Centre
200 Victoria Square East
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Postal

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