

SOUTH AUSTRALIA



RevenueSA

**Land Tax**

**Circular No. 262**

(Replaces Circular Nos: [46](#); [48](#); [75](#); [92](#); [97](#); [107](#); [117](#); [121](#); [141](#))

## **A GUIDE TO LEGISLATION**

### ***LAND TAX ACT 1936*** ***LAND TAX REGULATIONS 1999***

The purpose of this Circular is to provide a general guide to the provisions of the *Land Tax Act 1936* (“the Act”) and the *Land Tax Regulations 1999* (“the Regulations”).

This is a guide to the:-

- calculation of tax payable;
- payment of tax, interest and penalty tax;
- exemptions available to a taxpayer;
- obligations of a taxpayer;
- taxpayer’s rights of objection in respect of land tax; and
- important information for purchasers of land.

The contents of this Circular are current at the time of printing but are subject to change in the future.

We hope you find this publication to be worthwhile and we would certainly welcome any comments or suggestions that would help us to improve it.

Authorised copies of the Act and the Regulations are available for purchase from the Service SA Government Legislation Outlet (GLO), Ground Floor, 101 Grenfell Street, Adelaide.

The Parliament of South Australia has online versions of State Legislation at: <http://www.parliament.sa.gov.au/>

For further details on any matters relating to the Act or Regulations mentioned in this guide, please feel free to contact RevenueSA on (08) 8204 9870.

2 November 2005

COMMISSIONER OF STATE TAXATION

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## 1. WHAT IS LAND TAX?

### INTRODUCTION

- Land tax is a South Australian tax levied under the *Land Tax Act 1936* (“the Act”) and the *Land Tax Regulations 1999* (“the Regulations”). It operates in conjunction with the *Taxation Administration Act 1996*, which contains administrative provisions relating to such matters as objections and appeals, the charging of interest and penalties, etc.
- The tax forms part of the general revenue of the State and it is applied towards financing the costs of the Government including the provision of health, education, police, community welfare services and other services for which no direct charges are made.

### SUMMARY OF LAND TAX

- Land tax is levied each financial year and is paid either annually or quarterly. The liability for the payment falls upon the owner of the land as at midnight on 30 June immediately preceding the financial year for which the tax is levied, i.e. the owner of the land at midnight on 30 June 2005 is liable for the tax for the year 1 July 2005 to 30 June 2006 (2005-06 financial year).
- The tax is based on the site value of the land determined by the Valuer-General pursuant to the *Valuation of Land Act 1971*. Broadly, the site value is the value of the land excluding buildings or other improvements.
- Tax is calculated at graduated rates on the total value of all land owned by the taxpayer as at midnight on the relevant 30 June.
- Some exemptions apply to certain categories of land.
- Unpaid land tax can remain a charge on the land. When settling for sale of land, arrangements should be made for the payment of the current year’s tax and any other arrears.
- Taxpayers must notify the Commissioner of State Taxation of changes of address for the service of notices.
- Land tax is not subject to the Goods and Services Tax (GST).

## **2. WHO IS LIABLE FOR LAND TAX?**

### **DEFINITION OF “OWNER”**

The liability for the payment of land tax falls upon the “owner” of the land as at midnight on 30 June immediately preceding the financial year for which the tax is levied. The term “owner” is generally taken to be the person whose name appears on the Certificate of Title at the Lands Titles Office. However, there are several exceptions to this rule, which are described in detail below.

- **Freehold land**

The owner, in respect of freehold land, will be taken to be either the registered owner or any person who is entitled to the legal or equitable ownership of the land at midnight on 30 June immediately preceding the financial year for which the tax is levied. This extends to a person who is entitled to purchase or acquire the legal or equitable ownership of the land. In the absence of proper advice to the contrary, the registered owner is taken to be the taxpayer.

- **Crown Land – Perpetual leases/Agreement for sale or right of purchase**

Where Crown land is held under a perpetual lease or if it is subject to an agreement for sale or right of purchase, the holder of such a lease or agreement is deemed to be the owner of that land for the purposes of land tax.

*Note: Perpetual leases mean registered Crown leases issued by the Minister for Environment and Heritage on behalf of the Crown in perpetuity.*

- **Home Unit Companies**

The shareholder in a home unit company will be treated as the owner for land tax purposes. This means that the value of the unit that the shareholder is entitled to occupy will be included in the ownership of the shareholder and not be assessed against the registered proprietor of the land, i.e. the home unit company.

- **Tenancies in common (Moiety ownership)**

Where:

- land is held under a tenancy in common; and
- the land is divided into separate portions; and
- the owner of each undivided share in the land is entitled under a lease registered over the title to the land, to occupy a particular portion of the land;

each owner of an undivided share in the land will be regarded as the owner of the portion of the land that the owner is entitled to occupy under the lease.

- **Land held in a representative capacity (Trusts)**

Land held by a taxpayer in a representative capacity may be taxed separately from other land held by the taxpayer in his or her individual right. See “Trusts” section below for further information.

**LIABILITY WHERE LAND IS HELD IN JOINT OWNERSHIP**

Any one of the joint owners of land may be held liable for the payment of the whole amount of tax. However, it is the general practice of RevenueSA to hold the first-named joint owner liable for the payment of the land tax. That person may then recover a proportion from other joint owners.

Historical Use Only

### **3. HOW IS LAND TAX CALCULATED?**

Land tax is calculated by applying a progressive rate structure to the aggregated site value of land held by an owner at the relevant date of assessment.

The components of this principle are explained in further detail below.

#### **RELEVANT DATE OF ASSESSMENT**

Land tax is levied each financial year with liability for the payment falling upon the owner of the land as at midnight on 30 June immediately preceding the financial year for which the tax is levied.

#### **VALUATIONS OF LAND**

The site value for land tax purposes is determined by the Office of the Valuer-General under the *Valuation of Land Act 1971*. For the purpose of calculating the amount of tax to be levied, the value in force at midnight on 30 June immediately preceding the financial year for which the tax is levied, is applied.

The meaning of “site value” is defined in the *Valuation of Land Act 1971*. In broad terms, it means the market value of the land disregarding the value of any buildings or other improvements thereon.

Under the *Valuation of Land Act 1971* the Valuer-General may make a separate valuation of any portion of any land or may value a number of portions of land as one. This does not mean, however, that the parcel of land to which a valuation is attached will necessarily be recognised as a legal parcel of land for land tax purposes.

A person who has any queries in relation to the valuation of their land must contact the Office of the Valuer-General by telephoning 1300 653 346.

Any taxpayer who disagrees with the valuation attributed to their property has the right to formally object to the Valuer-General. See “Objections” section for further information.

#### **AGGREGATION OF SITE VALUE**

##### **General Principle**

The Act requires that where a person or persons own more than one piece of land, the taxable value of all land owned by the same owner(s) is totalled (aggregated) for the calculation of land tax.

*Note:*

- (1) Land will only be aggregated in cases of joint ownership where the owners of separate pieces of land are the same.*
- (2) If joint owners hold a piece of land in different capacities, all of the owners may be treated in one particular capacity.*

Example:

A taxpayer who owns three separate parcels of land valued at \$40,000, \$60,000 and \$300,000 as at midnight on 30 June, would pay land tax for the following financial year based on the aggregate (or total) value.

i.e. **Total Taxable Site Value** = \$40,000 + \$60,000 + \$300,000 = **\$400,000**.

The corresponding **Total Land Tax** (calculated using the rates applying for the 2005-06 financial year) = **\$1,070.00**.

The Total Land Tax is apportioned to each property in the ratio of its Taxable Site Value to the Total Taxable Site Value of the ownership, as follows:

**Land tax apportioned to:**

• <b>\$40,000 property</b>	= \$40,000/\$400,000 x \$1,070	= \$ <b>107.00</b>
• <b>\$60,000 property</b>	= \$60,000/\$400,000 x \$1,070	= \$ <b>160.50</b>
• <b>\$300,000 property</b>	= \$300,000/\$400,000 x \$1,070	= \$ <b>802.50</b>
		<b>Total = \$1,070.00</b>

**Trusts - Aggregation Exception**

The Act and the Regulations provide an exception to the general aggregation principle in the case of land held on trust. This exception is subject to the following conditions:

- the land is held on trust (other than a trust arising because of a contract to purchase or acquire an estate or interest in the land);
- notice of the trust is given (see next section); and
- the trustee of the trust is the "owner" of the land.

Where these conditions are met in relation to a piece of land, the taxable value of the land will not be aggregated with the taxable value of other land owned by the same taxpayer, unless the other land is held in trust for the same beneficiary.

*Note: If two or more portions of land comprising the whole or a part of a certificate of title are held on trust for two or more beneficiaries, the exception to the aggregation principle mentioned above does not apply and the Commissioner may treat all the land comprising the certificate of title as the one piece of land.*

In addition, if two or more trustees own land separately, but subject to the same trust, any one of the trustees may be treated as the owner or owners of all the land subject to the trust.

For the purposes of this provision, the various capacities in which a person may be the owner of land are as follows:

- as legal owner;
- as equitable owner;



- as prospective owner (i.e. a person who has entered into a contract to purchase or acquire an estate or interest in the land);
- as lessee under a perpetual lease or a shack-site lease; or
- an occupier where the land is in a defined shack-site area.

In order for a trust to be recognised, notice must be provided to RevenueSA during the financial year for which the tax is to be calculated. The notice should include all written matter relating to the creation of the trust, and any variation of the trust after its creation.

In the first instance, it is recommended that the following information be provided:

- a letter advising of the details of the property owned on behalf of the trust;
- a stamped copy of the relevant trust deed in its entirety; and
- evidence to show that the property was purchased on behalf of the trust. This can be in the form of a stamped transfer document, settlement statement, minutes of the Trust meeting, contract for sale or financial statements of the trust. If financial statements are supplied the statements should identify that the property is an asset of the trust.

## RATES OF TAX

Once the aggregated value is determined for an owner, land tax is calculated using a progressive rate structure. The rates of land tax effective as at midnight on 30 June 2005 for the 2005-06 financial year are as follows:-

<b>Taxable Value of Land Subject to Tax</b>	<b>Amount of Tax</b>
Not exceeding \$110,000	Nil
Exceeding \$110,000 but not exceeding \$350,000	\$0.30 for every \$100 or fractional part of \$100 of value in excess of \$110,000
Exceeding \$350,000 but not exceeding \$550,000	\$720 plus \$0.70 for every \$100 or fractional part of \$100 of value in excess of \$350,000
Exceeding \$550,000 but not exceeding \$750,000	\$2,120 plus \$1.65 for every \$100 or fractional part of \$100 of value in excess of \$550,000
Exceeding \$750,000 but not exceeding \$1,000,000	\$5,420 plus \$2.40 for every \$100 or fractional part of \$100 of value in excess of \$750,000
Exceeding \$1,000,000	\$11,420 plus \$3.70 for every \$100 or fractional part of \$100 of the value in excess of \$1,000,000

## 4. EXEMPTIONS AND CONCESSIONS

### GENERAL EXEMPTION FROM LAND TAX

A general exemption from land tax applies if the total amount of tax which would otherwise be payable in any financial year is less than \$10. At the current rates of land tax applying for the 2005-06 financial year, the effect of this is that no land tax is payable if the total taxable value of all land owned is \$113,300 or less.

### SPECIFIC EXEMPTIONS

Where the general exemption does not apply, the land may also qualify for one of a number of specific exemptions including:

- land used for owner's principal place of residence (land may be partially or wholly exempt from land tax in this instance);
- land used for primary production;
- Retirement Villages occupied by residents as the principal place of residence;
- Caravan Parks;
- Residential Parks;
- Supported Residential Facilities;
- land owned by religious, educational, charitable and similar organisations; and
- land owned by non-profit organisations.

*Note:*

*As a general rule, a waiver and/or refund of land tax must be sought within a period of five years from the date in which the taxpayer made the payment to the Commissioner.*

*However, in the case of an owner moving into their principal place of residence during the financial year, a waiver or refund of land tax in respect of that financial year must be sought on or before 30 September following the end of the financial year for which the waiver or refund is sought.*

Details of these exemption provisions are described in detail below.

See also "REFUNDS OF OVERPAID TAX" for additional information relating to any applicable refund.

### **Land Used as Owner's Principal Place of Residence**

The Act provides that an exemption from land tax may be granted where the Commissioner is satisfied that land owned and occupied by a natural person constitutes the owner's principal place of residence.

Land may be partially or wholly exempt from land tax. The provision for a partial land tax exemption came into operation at midnight 30 June 2005.

#### ***Availability of the exemption***

An exemption from land tax may be available in either of the following scenarios:

- Where the land constitutes the owner's principal place of residence as at midnight on 30 June immediately preceding the financial year for which the exemption is sought, an exemption may be available;

*Note: In this circumstance, a waiver and/or refund of land tax must be sought within a period of five years from the date in which the taxpayer made the payment to the Commissioner. It should also be noted that different eligibility criteria applied prior to the 2005-06 land tax assessment year.*

- Where the land becomes the owner's principal place of residence during the financial year for which the exemption is sought, an exemption may be available,

*Note: In this circumstance, a waiver or refund of land tax must be sought on or before 30 September following the end of the financial year for which the waiver or refund is sought. It should also be noted that different eligibility criteria applied prior to the 2005-06 land tax assessment year.*

#### ***Conditions which must be satisfied for a full exemption to apply***

In order to be eligible for a full exemption the following criteria must be satisfied:

1. the land must be owned by a natural person and constitute his or her principal place of residence (whether or not he or she is the sole owner of the land);

*Note: For the purpose of these criteria, the term "owner" can also include: a shareholder in a home unit company; the holder of a life interest (not being a lessee) or a beneficial owner entitled to ownership of the land pursuant to a will. The term "owner" does not include the directors of a company, which owns the land.*

2. the buildings on the land must have a predominantly residential character; and

*Note: Residential character of the buildings is determined having regard to their design and functionality. Caravans or tents are not regarded as buildings for the purpose of these criteria.*

3. less than 25% of total floor area of all buildings on the land may be used for a business or commercial purpose (other than the business of primary production).

*Note: This provision came into operation at midnight 30 June 2005.*

***Conditions which must be satisfied for a partial exemption to apply***

A partial exemption from land tax may apply where between 25% and 75% of the total floor area of all buildings on the land are used for a business or commercial purpose (other than the business of primary production). In order for the exemption to apply, the first two criteria for the full exemption must be met.

Where a part of the total floor area of the buildings on the land is used for a business or commercial purpose (other than the business of primary production), the land may be partially exempt in accordance with the following scale:

<b>AREA USED FOR BUSINESS OR COMMERCIAL PURPOSE EXPRESSED AS A PERCENTAGE OF THE TOTAL FLOOR AREA OF ALL BUILDINGS ON THE LAND</b>	<b>PERCENTAGE REDUCTION IN TAXABLE VALUE OF LAND</b>
More than 75%	Nil (no exemption)
75%	25%
70% or more but less than 75%	30%
65% or more but less than 70%	35%
60% or more but less than 65%	40%
55% or more but less than 60%	45%
50% or more but less than 55%	50%
45% or more but less than 50%	55%
40% or more but less than 45%	60%
35% or more but less than 40%	65%
30% or more but less than 35%	70%
25% or more but less than 30%	75%
(less than 25%)	100% (full exemption)

***Land tax relief where occupation commences during the financial year***

Where the land becomes the owner's principal place of residence during the financial year for which the exemption is sought, a refund or waiver may be granted in any of the following circumstances:

- where at 30 June a person owns land on which a home is either to be constructed or is in the process of being constructed for owner occupation in the following financial year. In the absence of relief a land tax liability would arise because at 30 June the land was not being used as the principal place of residence;
- where a person is in the process of selling a home and as a result owns two properties at 30 June, one of which is the current principal place of residence (and eligible for exemption) and the other is the intended but not yet occupied principal place of residence (and liable for land tax). Land tax relief will be made available on both properties provided no rental income is received from either property (when not occupied by applicant) during the period that the homes are owned concurrently and the former residence is sold prior to the end of the financial year in which the exemption on the new residence is sought; or
- where a person purchases a property as their principal place of residence which was taxable in the ownership of the vendor and in accordance with standard contractual arrangements, the land tax payable on the property is apportioned between the buyer and seller

See also "REFUNDS OF OVERPAID TAX" for additional information relating to any applicable refund.

### **Land used for Primary Production**

The Act provides that an exemption from land tax may be granted where the Commissioner is satisfied that land is used for the business of primary production.

#### ***Conditions which must be satisfied for exemption to apply***

The criteria used in assessing a primary production exemption vary slightly depending on whether or not the land is situated in the “*defined rural area*” of the State.

The “*defined rural area*” consists predominantly of the greater metropolitan areas of Adelaide and Mount Gambier. Metropolitan Adelaide covers an area approximately from Willunga, south of Adelaide, to Gawler, north of Adelaide, and from the coastline in the west to the inner Mt Lofty Ranges in the east. Metropolitan Mt Gambier covers the majority of the City of Mount Gambier council area. Please contact RevenueSA on (08) 8204 9870 if you are unsure whether your property lies inside or outside of the “*defined rural area*”.

There are general conditions, which apply irrespective of where the land is situated, as follows:

- the land must be 0.8 hectare or greater in area; and
- the Commissioner of State Taxation must be satisfied that the land is used wholly or mainly for the business of primary production.

*Note: For the purpose of these criteria, the following definitions apply:*

*"business of primary production" means the business of agriculture, pasturage, horticulture, viticulture, apiculture, poultry farming, dairy farming, forestry or any other business consisting of the cultivation of soils, the gathering in of crops, the rearing of livestock or the propagation and harvesting of fish or other aquatic organisms and including the intensive agistment of declared livestock;*

*"declared livestock" means cattle, sheep, pigs or poultry.*

#### ***Land outside the defined rural area, i.e. land outside metropolitan areas***

Only the general conditions above need to be satisfied in order to gain a primary production exemption from land tax where the land is situated outside the *defined rural area*.

Where the Valuer-General has applied an eligible land use code to the land, which satisfies these general conditions, it receives an automatic exemption from land tax.

#### ***Land inside the defined rural area, i.e. land inside metropolitan areas***

In addition to the general conditions above, any one of the following additional conditions must be met in order to gain a primary production exemption from land tax for land within the *defined rural area*:

- the sole owner is a natural person who is engaged on a substantially full-time basis (either on his or her own behalf or as an employee) in a relevant business; or
- the land is owned jointly or in common by two or more natural persons at least one of whom is engaged on a substantially full-time basis (either on his or her own behalf or as an employee) in a relevant business and any other owner who is not so engaged is a relative of an owner so engaged; or
- the land is owned solely, jointly or in common by a retired person and the following conditions are satisfied:
  - the retired person was, prior to his or her retirement, engaged on a substantially full-time basis (either on his or her own behalf or as an employee) in a relevant business; and
  - the co-owner or co-owners of the land (if any) are relatives of the retired person; and
  - a close relative of the retired person is currently engaged on a substantially full-time basis (either on his or her own behalf or as an employee) in a relevant business; or
- the land is owned solely or by tenancy in common by the executor of the will, or the administrator of the estate, of a deceased person and the following conditions are satisfied:
  - the deceased person was, prior to his or her death, engaged on a substantially full-time basis (either on his or her own behalf or as an employee) in a relevant business; and
  - the co-owner or co-owners of the land (if any) are relatives of the deceased person; and
  - a close relative of the deceased person is currently engaged on a substantially full-time basis (either on his or her own behalf or as an employee) in a relevant business; or
- the land is owned by a company, or by two or more companies, or by a company or companies and one or more natural persons, and the main business of each owner is a relevant business; or
- the land is owned by a company and one of the following conditions is satisfied:
  - a natural person owns a majority of the issued shares of the company and is engaged on a substantially full-time basis (either on his or her own behalf or as an employee) in a relevant business;
  - two or more natural persons own in aggregate a majority of the issued shares of the company and each of them is engaged on a substantially full-time basis (either on his or her own behalf or as an employee) in a relevant business;
  - two or more natural persons who are relatives own in aggregate a majority of the issued shares of the company and at least one of them is engaged on a substantially full-time basis (either on his or her own behalf or as an employee) in a relevant business.

*Note: For the purpose of the criteria above, the following definitions apply:*

**“relevant business”** - a business is a relevant business in relation to land used for primary production if:

- (a) the business is a business of primary production of the type for which the land is used or a business of processing or marketing primary produce; and*
- (b) the land or produce of the land is used to a significant extent for the purpose of that business;*

**“close relative”** - a person is a close relative of another if:

- (a) they are spouses; or*
- (b) one is a parent or child of the other; or*
- (c) one is a brother or sister of the other;*

**“relative”** - a person is a relative of another if:

- (a) they are spouses; or*
- (b) one is an ascendant or descendant of the other, or of the other’s spouse; or*
- (c) one is a brother or sister of the other or a brother or sister of the other’s spouse; or*
- (d) one is an ascendant or descendant of a brother or sister of the other or of the other’s spouse.*

### **Retirement Villages Occupied by Residents as their Principal Place of Residence**

Enquiries may be made to RevenueSA regarding qualifications for entitlement and the method of making application for exemption.

### **Caravan Parks**

With effect from the 2005-06 assessment year, Caravan Parks are exempt from land tax.

### **Residential Parks**

With effect from the 2005-06 land tax assessment year, retired persons’ relocatable home parks are eligible for exemption where the relevant land is used for the purpose of establishing two or more relocatable homes over which rights of occupation for that purpose are granted by lease or licence predominantly to persons who are over the age of fifty-five years and have retired from full time employment.

A particular site within a residential park will be exempt in circumstances where there is a relocatable home on the site owned by a natural person and occupied by that person as his or her principal place of residence.

An exemption will also apply if it is likely that within the ensuing twelve months there will be a relocatable home on the site owned by a natural person and occupied by the natural person as his or her principal place of residence.

### **Supported Residential Facilities**

With effect from the 2005-06 land tax assessment year, an exemption applies to land used for Supported Residential Facilities that are licensed under the *Supported Residential Facilities Act 1992*.

### **Land used for conservation or historical preservation**

An exemption applies to land owned by an association whose objects include the conservation of native flora or fauna. The land has to be used mainly or solely as a reserve for the conservation of native flora or fauna.

An exemption will also apply to land held by an association for the purpose of preserving buildings or objects of historical value on the land.

### **Public land**

Land of the Crown is exempt from land tax unless the Crown instrumentality is a Public Corporation and is required to pay land tax pursuant to the *Public Corporations Act 1993*, its own enabling legislation or by ministerial direction.

Parkland, public roads, public cemeteries, and other public reserves are also exempt.

An exemption is available in respect of any land owned by either a council, a controlling authority (established under Part 19 of the *Local Government Act 1934*) or the Renmark Irrigation Trust.

An exemption is also available where the land is used solely for the purposes of a hospital, which is subsidised by the Government of the State, or used by any library or other institution, which is administered by the Libraries Board of South Australia.

### **Charitable, educational, benevolent, religious or philanthropic associations**

All land owned by an association established for a charitable, educational, benevolent, religious or philanthropic purpose is exempt. It will be necessary for the association to prove that it is established for one of these purposes. This is determined by considering the objects of the constitution (if an association or company limited by guarantee) or the trust purpose of the trust deed, if dealing with a trust (a trust can be considered as an association for this purpose).

In addition, an exemption will be provided where land owned or occupied by an association is providing various forms of assistance that is needed by necessitous or helpless persons. The land must be used mainly or solely for the purpose of supplying this assistance. If the association does not own the land, it must be occupying the land either rent-free or be paying a rental sum (monetary or otherwise) that is considerably lower than market value. Also, those people receiving the assistance must be provided that assistance at either no cost or at a cost (monetary or otherwise) which (in the opinion of the Commissioner of State Taxation) is substantially less than the value of the assistance.



An exemption will also apply if the land is used solely or mainly as an educational institution. The land must be owned or occupied by a person or association. If the person or association does not own the land, they must be occupying it rent-free. If the land is held by a landlord as an investment, an exemption cannot apply. The educational institution must be run on a not-for-profit basis.

Where a property is used wholly for a religious purpose an exemption may apply.

### **Land used for sporting or racing (specific types)**

An association must own the land. The land must be used mainly or wholly for the following sports:

- cricket, football (all codes, eg, Australian rules, rugby league, rugby union, soccer, etc), tennis, golf, bowling or other athletic sports or exercises; or
- horse racing, trotting, dog racing, motor racing or other similar contests.

### **Ex-Servicemen (and dependants) associations**

An association must own the land. The land must be used for social or recreation of the association members. The association must be made up of either former members of the armed forces or their dependants, the common example of which would be any RSL (Returned Services League) club.

### **Employer or employee industrial associations**

An association must own the land. The association members must be employers or employees, usually relating to a particular industry. The association must be registered under a law of the Commonwealth or State relating to industrial conciliation or arbitration. The land must be used for the purpose of the association.

### **Community recreation**

An association must own the land. The objects of the association must be to provide the land for the recreation of the local community. The term “local community” refers to residents of a specified geographical locality, i.e. in the general vicinity of the land.

### **Agricultural show grounds and exhibition venues**

An association must own the land. The land must be used for the purpose of hosting agricultural shows and other similar exhibitions.

## APPLICATION FOR EXEMPTION

The owner of land may apply for an exemption or partial exemption of the land through RevenueSA.

It is not necessary to apply for the general exemption in relation to the tax-free threshold.

Application forms are available from RevenueSA in respect of the “Principal Place of Residence” and “Primary Production” exemptions.

Exemptions sought in relation to any other provision are to be submitted in the form of a covering letter with supporting documentation attached.

## NOTICE OF EXEMPTION

Where the Commissioner exempts land (wholly or partially), notice will be given to an owner stating the day from which the exemption applies, the extent of the exemption and the grounds on which the exemption is granted.

## REFUNDS OF OVERPAID TAX

Where the owner or purchaser of land has paid land tax in relation to the financial year for which the exemption is sought, they may be eligible for a refund, detailed in the following manner:

- Where the taxpayer owned land at midnight on 30 June immediately preceding the financial year for which the exemption is granted, the refund will be the amount by which the taxpayer’s assessment would have been reduced if the land were exempt or partially exempt from land tax.

*Note: The amount of refund does not alter irrespective of whether the taxpayer commenced occupation before or during that financial year. Land may be partially exempt if the land is the owner’s principal place of residence and is used partially for a business or commercial purpose – see earlier exemption section for more detail.*

- Where a refund of land tax is sought by a purchaser of land (where the land is acquired during the financial year for the purpose of being the owner’s principal place of residence), the amount to be refunded will be the lesser of either:
  - the amount paid to the vendor by the purchaser as an adjustment of land tax; or
  - a proportion of the land tax that would be payable on the land if the purchaser had owned the land, taking into account the number of days out of 365 for which they have owned the land,

*Note: If the land is used partially for a business or commercial purpose, the amount of refund will also take into consideration the proportion of the floor area used for this non-residential purpose. RevenueSA can provide further information if applicable.*

## **OBLIGATIONS OF OWNERS OF EXEMPTED LAND**

An owner of land has certain responsibilities in relation to a benefit they have received in the form of an exemption or partial exemption from land tax, as follows:

- the owner must not make a false or misleading statement in an application;
- the owner must notify the Commissioner if a notice of exemption is inaccurate; and
- the owner must notify the Commissioner where the grounds for exemption have ceased as a result of a change of circumstance (eg, owner moves residence, etc).

Where an owner of land does not comply with these requirements, severe penalties may apply and the Commissioner may revoke the exemption resulting in a further land tax liability.

## **PENSIONER REMISSION**

A remission of up to 60 per cent of land tax (to a maximum of \$150) is allowable in respect of dwellings owned and occupied by pensioners who hold Pensioner Health Benefit Cards (or Pensioner Concession Cards), holders of current State Concession Cards or other persons who would normally qualify for the concession cards, such as TPI disability pensioners, war widows and mothers of deceased unmarried servicemen (similar remissions are available for water and sewerage rates and council rates.)

In the case of land tax, the remission will apply only in those situations in which a dwelling owned and occupied by a pensioner may not satisfy all the conditions for the full land tax exemption applicable to an owner's principal place of residence.

Information sheets and application forms are available from SA Water, its district offices and local council offices.

## **5. FREQUENCY OF NOTICES & PAYMENT OF LAND TAX**

### **FREQUENCY OF NOTICES**

Notices of land tax assessment are issued between October and February of the financial year for which the tax is levied. The taxpayer may elect to pay their land tax liability by quarterly instalments or in full, at the time of the first quarter notice. Once taxpayers have elected to pay by quarterly instalments, they will still have the option of paying the full remaining liability when issued with any subsequent quarterly instalment advice.

Property owners who take up the instalment option will receive further notices to pay the relevant quarterly instalment approximately thirty days prior to the due date of that instalment.

Accounts for payment describe the land being taxed in terms of its ownership, description, site valuation and proportionate liability.

### **METHODS OF PAYMENT**

Refer to the reverse side of your Notice of Land Tax Assessment for payment options.

Payment of your Notice of Land Tax Assessment can be made in full as per the Total Amount Due on your notice or by quarterly instalments. Part payments of the full or instalment amount will not be accepted.

Payment options include:

- BPAY (telephone or Internet);
- payment in person at any outlet of the organisations listed on the reverse of the Notice of Land Tax Assessment or RevenueSA;
- payment by telephone via an Interactive Voice Response System on 1300 669 344; and
- payment by mail.

*Note: A credit card limit of \$2,000 per Payment Remittance Advice applies.*

### **INTEREST AND PENALTIES FOR LATE PAYMENT**

A default in the payment of land tax (i.e. payment not made by the due date or payment of only a portion of the amount due) will result in the full annual amount outstanding becoming immediately due and payable.

Property owners in default will be issued a Final Notice Reassessment for the full annual amount outstanding, which will include penalty tax and interest payable on the amount outstanding.

Please refer to Circular No. 261 for further information on the application of interest and penalties.

## **6. OBJECTIONS**

### **OBJECTION TO COMMISSIONER'S ASSESSMENT OR DECISION**

If you are dissatisfied with an assessment you may wish to contact the RevenueSA on the telephone number that appears on the notice of assessment in the first instance.

If you require an independent review of a tax assessment, you may lodge a written objection within 60 days of the date of the assessment or decision with:

The Treasurer  
GPO Box 2264  
Adelaide SA 5001

Unsuccessful objections to a tax assessment may be appealed to the Supreme Court within 60 days of the Treasurer's determination of the objection, or if the objection has not been determined, within 90 days of its lodgement.

You may also ask the Ombudsman to review your case.

The Ombudsman can be contacted on (08) 8226 8699 or 1800 182 150 for country callers.

### **OBJECTION TO VALUATION**

An objection of valuation must be in writing and contain a full and detailed statement of the grounds on which the objection is based. Valuation objections should be directed to:

The Office of the Valuer-General  
GPO Box 1354  
ADELAIDE SA 5001

Email: [objections@saugov.sa.gov.au](mailto:objections@saugov.sa.gov.au)

Objection to Valuation Enquiries - Phone: 1300 653 345

*Note: (a) If you have previously received a Notice or Notices under the Act referring to the valuation and informing you of a sixty day objection period, the objection period is sixty days after the service of the first such notice.*

*(b) You may not object to the valuation if the Valuer-General has already considered an objection by you to the valuation, lodged in response to another rating authority invoice for each particular financial year.*

### **PAYMENT OF LAND TAX PENDING AN OBJECTION**

Any objection to an assessment or valuation does not mean payment of the assessment can be withheld pending the outcome of the objection. Taxpayers are reminded that the assessment is due and payable by the due date and normal recovery action including penalty tax and interest will continue to apply to any default.

## **7. BUYING OR SELLING A PROPERTY – YOUR RIGHTS AND OBLIGATIONS IN RESPECT OF LAND TAX**

### **CERTIFICATES OF LAND TAX PAYABLE**

#### **General Information**

Under the provisions of the *Land and Business (Sale And Conveyancing) Act 1994*, a certificate of land tax payable (“Certificate”) may be obtained from RevenueSA showing the amount of land tax (if any) that will be payable in relation to the liability imposed for the financial year in which it is requested (including any arrears).

The issuing of a Certificate is subject to payment of a prescribed administration fee.

Where settlements are occurring in the next financial year, the applicant should ask that the Certificate be issued after 30 June to include the liability of the next financial year.

If the land subject to the Certificate request is only part of the land included in a land tax assessment, the Certificate will relate to the whole of that land.

Where the Commissioner is unable to calculate the exact amount of land tax payable, an estimate may be provided.

It is an industry-based convention for a real estate contract to provide for land tax to be apportioned (based on a single holding basis) between the purchaser and vendor of land. Single holding basis means that the land tax is calculated as if it were the only property owned by the person. This practice is adopted to ensure that the purchaser of land is not disadvantaged as a result of a vendor’s wider property holdings (if any).

#### **Requesting Certificates**

Certificates may be ordered either individually from RevenueSA, or as part of a “Section 7 statement” from the Lands Titles Office.

A Section 7 statement, issued pursuant to section 7 of the *Land and Business (Sale And Conveyancing) Act 1994* lists any interest the South Australian Government, or one of its agencies, may have in a property.

Individual Certificates or Section 7 statements may be ordered either online or over the counter, as set out below:

#### ***Individual Certificates - RevenueSA***

Land tax Certificates may be requested “online” by registered users of RevNet, an Internet-based system that allows an easy, flexible and more effective way for people to do business with RevenueSA. Further information is available on the RevNet website at <http://www.revnet.sa.gov.au>

A Certificate requested via RevNet is normally issued immediately and may be printed by the user.

Certificates may also be requested “over the counter” from RevenueSA at:

Ground Floor  
200 Victoria Square  
ADELAIDE SA 5000

RevenueSA will endeavour to provide a Certificate within twenty-four hours. As specified by the applicant, the Certificate will be held for collection, posted, faxed or left in the applicant’s “RevenueSA” delivery box (located at the above address).

### ***Section 7 statements – Lands Titles Office***

Section 7 statements may be obtained “online” by registered users of PropertyAssist, an Internet-based system that allows an easy, flexible and more effective way for people to do business with the Lands Titles Office. Further information is available from <http://www.propertyassist.sa.gov.au>

Section 7 statements may also be requested “over the counter” from the Lands Titles Office at:

Ground Floor  
101 Grenfell Street  
ADELAIDE SA 5000

The statement, once compiled, will be held for collection, posted, or left in the applicant’s “LTO” delivery box at the Lands Titles Office.

### **Requesting updates of Certificates**

Updated Certificates may be requested via RevNet (whether ordered individually or as part of a Section 7 statement) or direct from RevenueSA (contact details below). Where the Certificate is still current, there is no charge for this service.

### **Payment of outstanding land tax liability shown on a Certificate**

Payments of outstanding land tax liability stated in a Certificate may be submitted by various means, as set out below:

#### ***Online***

Payment may be made online by registered RevNet users at <http://www.revnet.sa.gov.au>

#### ***By mail***

Payment by cheque or money order, accompanied by a copy of the Certificate or payment remittance advice may be sent to:

GPO Box 2250  
ADELAIDE SA 5001

***Over the counter***

Payment, accompanied by copy of the Certificate or payment remittance advice may be made in person at:

Ground Floor  
State Administration Centre  
200 Victoria Square  
ADELAIDE SA 5000

**Indemnity offered to purchaser of land (important note for purchasers)**

Where the amount of land tax stated in a Certificate is paid within a specified period (currently three months after the issue date of the Certificate) or the Certificate indicates that no amount is or will be payable, the purchaser (and their successors in title) are released from any liability to land tax that may later arise in relation to any financial year commencing prior to the issue of the Certificate (eg, as a result of an increase in valuation of the land).

If such a liability does arise and the purchaser is indemnified as a result of the provision mentioned above, the Commissioner may recover that further tax amount (including penalties and interest, if any) from the recognised owner as at the last 30 June prior to the change in ownership. However, if the purchaser is not indemnified as a result of the provision mentioned above, the Commissioner may, at his discretion, recover the unpaid tax (including penalties and interest, if any) either from the purchaser (or his or her successors in title) or from the recognised owner as at the last 30 June prior to the change in ownership.

To provide notice to prospective purchasers/transferees of the existence of a land tax debt (which, pursuant to the Act, constitutes a first charge over the land to which the tax relates), the Commissioner may, in certain limited circumstances, effect registration of a permissive caveat over a relevant title or titles.

Caveats registered for this purpose will be removed immediately upon full discharge of the outstanding land tax debt in respect of the relevant land.

Where such a caveat appears on a title, the purchaser/transferee or his or her broker etc, is encouraged to contact the Principal Compliance Officer, Debt Management Services on (08) 8226 3116 for further information.

**ADVISING CHANGE OF OWNERSHIP**

Where a transfer of land has been settled but not registered at the Lands Titles Office with effect from 30 June of the financial year in which the change in ownership occurred, the taxpayer should notify the Commissioner in writing of the details of the change in ownership and provide evidence that settlement occurred on or before 30 June.

*Note: It should be noted that the settlement date will be recognised as the date of change of ownership unless relevant evidence can be produced to prove otherwise.*



## **8. MISCELLANEOUS**

### **ADVISING CHANGE OF ADDRESS**

Taxpayers are required to notify RevenueSA of any change in their postal address within one month of any such change. Taxpayers failing to do so are liable to a fine not exceeding \$125.

### **GST**

Land tax is included in the Federal Treasurer's determination under *A New Tax System (Goods and Services Tax) Act 1999* and is NOT subject to GST.

## **9. FURTHER INFORMATION**

### *Location*

Ground Floor  
State Administration Centre  
200 Victoria Square  
ADELAIDE SA 5000

### *Postal*

Commissioner of State Taxation  
RevenueSA  
GPO Box 2250  
ADELAIDE SA 5001

### *Telephone*

(08) 8204 9870

### *Facsimile*

(08) 8207 2100

### *Website*

<http://www.revenuesa.sa.gov.au>

### *E-mail*

[revenuesa@saugov.sa.gov.au](mailto:revenuesa@saugov.sa.gov.au)