



## COMMISSIONER'S PRACTICE LT 5.0

### LAND TAX - NEWLY CONSTRUCTED RESIDENCES

#### Commissioner's Practice History

Commissioner's Practice	Issued	Dates of effect	
		From	To
LT 5.0	29 October 2003	29 October 2003	24 November 2005

This Commissioner's practice addresses the application of an exemption from land tax for land on which there is a newly constructed private residence, where the residence is not completed at the time the land tax assessment notice is issued.

#### Background

Section 24 of the *Land Tax Assessment Act 2002* ("the Act") provides that private residential property (except property held in trust) that is owned by an individual is exempt for an assessment year if:

- the construction of the private residence that forms part of the property is completed during the assessment year;
- at midnight on 30 June in the previous financial year, the individual owned the land on which the private residence is constructed;
- the individual is the first occupant of the private residence; and
- the individual uses the private residence as his or her primary residence during the assessment year.

However, the property is not exempt if any other private residential property owned by the same individual is exempt for the assessment year under another provision of the Act as a result of its use by the individual as his or her primary residence.

#### Commissioner's Practice

1. An application for exemption will be considered when the residence is complete and the owner has taken up occupation.

2. However, where an application for exemption is received from an owner who does not immediately qualify for the exemption, the Commissioner will defer a demand for payment of the land tax assessment, providing:
  - 2.1 the land tax assessment is for a single lot;
  - 2.2 none of the owners are entitled to a residential exemption on any other land for the year of assessment;
  - 2.3 construction of the new residence has commenced; and
  - 2.4 the owners intend to move into the completed residence prior to the following 30 June.
3. Upon occupying the new residence, the owners are required to notify the Commissioner and finalise their application for exemption. Should the Commissioner not be notified by the following 30 June that the owners are now in residence, payment of the land tax assessment will become due.
4. Where considered necessary, the Commissioner will inspect properties and/or seek documentary evidence to verify completion of construction and owner occupation.

#### **Date of Effect**

This Commissioner's practice takes effect from 29 October 2003.

Bill Sullivan  
COMMISSIONER OF STATE REVENUE

29 October 2003