

Taxation Administration (Rates) Determination 2009 (No 1)

Disallowable instrument DI2009–101

made under the

Taxation Administration Act 1999, s139 (Determination of amounts payable under tax laws)

EXPLANATORY STATEMENT

Purpose

1. The purpose of this instrument is to revoke DI2008-136, and to determine the variable rating factors for the purposes of the calculation of rates payable under the *Rates Act 2004* (the Rates Act).

Summary

2. Under section 139 of the *Taxation Administration Act 1999* (the TAA) the Minister has authority to determine, in writing by disallowable instrument, amounts payable under a tax law.
3. Section 4 of the TAA provides that the Rates Act is a tax law.
4. This instrument determines the FC or fixed charge, P or percentage rate and TA or threshold amount for section 14 (3) of the Rates Act.
5. This instrument also determines FCC or fixed charge for a parcel of commercial land, FCR or fixed charge for a parcel of residential land, the TA or threshold amount, PC or percentage rate for a parcel of commercial land, and PR or percentage rate for a parcel of residential land for section 34 (4) of the Rates Act.

Changes in this Determination

6. For section 14 (3) of the Rates Act, the fixed charge (FC) is determined at:
 - \$509 for residential land (an increase from \$487);
 - \$1,040 for commercial land (an increase from \$939); and

- \$106 for rural land (an increase from \$96).
7. For section 14 (3) of the Rates Act it determines the different amounts for P or percentage rate at:
 - 0.3129 per cent for residential land (reduced from 0.3326 per cent);
 - 0.7434 per cent for commercial land (reduced from 0.7946 per cent); and
 - 0.1804 per cent for rural land (reduced from 0.1861 per cent).
 8. The threshold amount (TA) for sections 14 (3) and 34 (4) is determined at \$16,500 (unchanged from the previous instrument).
 9. Section 34 of the Rates Act was amended by the *Revenue Legislation Amendment Bill 2007* to correct an error contained in the formula contained in section 34 (3). Previously, the formula provided for a single fixed charge (FC), which was administratively treated by apportioning the residential and commercial fixed charges across the parcel of land. The formula now confirms the administrative practice by reflecting the different fixed charges for commercial (FCC) and residential (FCR) parcels of land.
 10. For section 34 (4) of the Rates Act this instrument determines that:
 - FCC or fixed charge for a parcel of commercial land is \$1,040 (an increase from \$939); and
 - FCR or fixed charge for a parcel of residential land is \$509 (an increase from \$487).
 11. For section 34 (4) of the Rates Act this instrument determines that:
 - PC or the percentage rate for commercial land is 0.7434 per cent (reduced from 0.7946 per cent); and
 - PR or the percentage rate for residential land is 0.3129 per cent (reduced from 0.3326 per cent)
 12. This determination commences on 1 July 2009.