

2011

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

LAND TAX AMENDMENT BILL 2011

EXPLANATORY STATEMENT

**Presented by
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Land Tax Amendment Bill 2011

Summary

This Bill amends the *Land Tax Act 2004*.

Overview

The *Land Tax Act 2004* (the Act) is amended to require the owner of a residential property to notify the commissioner of a land tax liability where they hold the property as trustee of a trust.

Under section 9(1) of the Act, all residential land owned by a corporation or trustee is liable to land tax and charged accordingly. There was no requirement for a corporation or trustee to notify the commissioner that the property was liable for land tax, as in most cases the liability could be determined from the owner's name on the land title.

The ACT Revenue Office found it very difficult to identify residential properties owned by a trustee where the trustee was an individual. The *Land Titles Act 1925* does not allow the registrar-general to make any entry in the register of any trust under which the registered owner may hold the property.

As with the current provisions for a relevant person, it will be an offence under section 67 (2) of the *Taxation Administration Act 1999* to fail to notify the commissioner of such a situation.

Commencement Date

The Bill's amendments will be effective from the day after its notification.



Details of the Land Tax Amendment Bill 2011

Part 1 – Preliminary

Clause 1 – Name of Act

This clause provides that the Act is named the *Land Tax Amendment Act 2004*.

Clause 2 – Commencement

This clause provides that the Bill will commence on the day after it is notified on the ACT Legislation Register.

Clause 3 – Legislation amended

This clause provides that this Bill makes amendments to the *Land Tax Act 2004*.

Clause 4 – New Section 14A

This clause inserts a new section that requires the owner of the parcel of land to notify the commissioner of a land tax liability where the owner is an individual and holds the property as trustee. This is in line with current provisions that require an owner to notify the commissioner where a residential property is rented.

