

Taxation Administration (Amounts Payable—Thresholds—Pensioner Duty Concession Scheme) Determination 2012 (No 2)

Disallowable instrument DI2012-274

made under the

Taxation Administration Act 1999, s 139 (Determination of amounts payable under tax laws)

EXPLANATORY STATEMENT

Introduction

1. This instrument is the *Taxation Administration (Amounts Payable—Thresholds—Pensioner Duty Concession Scheme) Determination 2012 (No 1)*.
2. This instrument commences on 1 January 2013.
3. As part of the 2012-13 Budget, the Government announced that it would be reforming the Territory's taxation system. As part of this package, the Government has expanded the property thresholds for the Pensioner Duty Concession Scheme. These reforms continue to apply with this instrument.
4. This instrument determines the property value thresholds for an eligible property and the land value thresholds for an eligible vacant block, for the purposes of the calculation of duty payable under section 31 of the *Duties Act 1999* (the Act) by an eligible pensioner under the Pensioner Duty Concession Scheme commencing on 1 January 2013. The duty is payable to the Territory.
5. Under section 139 of the *Taxation Administration Act 1999* the Minister has authority to determine, in writing by disallowable instrument, amounts payable under tax laws. The Act is a tax law specified in section 4 of the *Taxation Administration Act 1999*.

Thresholds and calculation

6. The property value threshold amounts for the calculation of concessional duty for eligible property are as follows:

- i. the lower threshold is equal to the lowest sale price of the highest 25% of all sale prices for ACT residential properties for the 2 quarters between April 2012 and September 2012. The determined value for the lower threshold is \$560,000 which is a decrease of 1.7975% from the previous threshold of \$570,250; and
 - ii. the upper threshold is equal to the lowest sale price of the highest 10% of all sale prices for ACT residential properties for the 2 quarters between April 2012 and September 2012. The determined value for the upper threshold is \$705,000 which is a decrease of 1.3987% from the previous threshold of \$715,000.
7. The land value threshold amounts for the calculation of concessional duty for an eligible vacant block are as follows:
 - i. the lower threshold is determined at \$290,000. It reflects a 3.3333% decrease from the previous threshold of \$300,000; and
 - ii. the upper threshold is determined at \$345,000. It reflects a 14.3921% decrease from the previous threshold of \$403,000.
8. For eligible properties and eligible vacant blocks at or below the lower threshold, duty of \$20 is payable. The amount of the concession reduces for eligible properties and eligible vacant blocks up to the higher threshold where the concession is zero.
9. This instrument does not determine the concessional rates, they are calculated using the formula in the eligibility Disallowable Instrument and are shown in this instrument for convenience.

Application of this instrument and changes

10. This instrument revokes Disallowable Instrument DI2012-104. However, DI2012-104 continues to apply to transactions that occurred for the period 6 June 2012 to 31 December 2012, inclusive.

Authorised by Treasurer
Andrew Barr MLA