

Australian Capital Territory

Taxation Administration (Land Tax) Determination 2013 (No 1)

Disallowable instrument DI2013-178

made under the

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

EXPLANATORY STATEMENT

1. This determination takes effect from 1 July 2013.
2. 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, reform has been undertaken to the land tax system. This instrument continues to implement the Government's reform to the land tax system.
3. Under section 139 of the *Taxation Administration Act 1999*, the Minister has the authority to determine, in writing by disallowable instrument, amounts and rates applicable for the *Land Tax Act 2004*.
4. The purpose of this instrument is to determine the rates for the calculation of land tax for residential land for section 9 (4) of the *Land Tax Act 2004*. The land tax marginal rates remain unchanged from the 2012-13 period.
5. As part of continuing taxation reform and following the *Revenue Legislation (Tax Reform) Amendment Act*, land tax on commercial properties has been formally abolished and subsequently removed from this instrument.
6. Calculation of land tax liability for rented residential land and residential land owned by a corporation or trustee:
 - An average unimproved land value of \$75,000 or less will pay a land tax rate of 0.60%.
 - An average unimproved land value of between \$75,001 and \$150,000 will pay a land tax rate of \$450 plus 0.70% on the average unimproved value of land above \$75,000.

- An average unimproved land value of between \$150,001 and \$275,000 will pay a land tax rate of \$975.00 plus 0.89% on the average unimproved value of land above \$150,000.
 - An average unimproved land value of \$275,001 or more will pay a land tax rate of \$2,087.50 plus 1.80% on the value of average unimproved land above \$275,000.
7. This instrument revokes DI2012-102. However, DI2012-102 continues to apply for the period 1 July 2012 to 30 June 2013, inclusive.

Authorised by the Treasurer
Andrew Barr MLA