

Taxation Administration (Rates) Determination 2015 (No 1)

Disallowable instrument DI2015-162

made under the

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

EXPLANATORY STATEMENT

1. This Disallowable Instrument commences on 1 July 2015.
2. As part of the 2015-16 Budget, the Government announced that it would continue to reform the Territory's taxation system. Further reform to the general rates system will continue with the 2015-16 Budget.
3. General rates are levied on all residential properties to provide funding for a wide range of essential services to the Canberra community, including municipal services, schools, roads and hospitals.
4. 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 *Rates Act 2004*.
5. This instrument determines the variable rating factors for the purpose of the calculation of rates payable under the *Rates Act 2004*.
6. This instrument determines different amounts for the FC or fixed charge and the P or percentage rate for section 14 (3) of the *Rates Act 2004*.
7. This instrument determines the fixed charge for a parcel of commercial land, the fixed charge for a parcel of residential land, the percentage rates for a parcel of commercial land, and the percentage rates for a parcel of residential land. The values are determined for section 34 (4) of the *Rates Act 2004*.
8. For section 14 (3) of the *Rates Act 2004*, the fixed charge (FC) for 2015-16 is determined at:
 - \$730 for residential land (increased from \$675 in 2014-15);
 - \$2,130 for commercial land (increased from \$1,915 in 2014-15); and
 - \$150 for rural land (increased from \$145 in 2014-15).

9. For section 14 (3) of the *Rates Act 2004* the instrument determines the different amounts for percentage rates. Table 1 provides the thresholds and rates for residential, commercial, and rural land.
10. Calculation of general rates for residential land is as follows:
- The owner of land which has an average unimproved land value of \$150,000 or less will be assessed at a rate of 0.2746% (increased from 0.2547% in 2014-15).
 - The owner of land which has an average unimproved land value of between \$150,001 and \$300,000 will be assessed at \$411.90 plus 0.3857% (increased from 0.3571% in 2014-15) on the average unimproved value above \$150,000.
 - The owner of land which has an average unimproved land value of between \$300,001 and \$450,000 will be assessed at \$990.45 plus 0.4629% (increased from 0.4287% in 2014-15) on the average unimproved value above \$300,000.
 - The owner of land which has an average unimproved land value greater than \$450,000 will be assessed at \$1684.80 plus 0.5339% (increased from 0.4873% in 2014-15) on the average unimproved value above \$450,000.
11. Calculation of general rates for commercial land is as follows:
- The owner of land which has an average unimproved land value of \$150,000 or less will be assessed at a rate of 2.6274% (increased from 2.4134% in 2014-15).
 - The owner of land which has an average unimproved land value of between \$150,001 and \$275,000 will be assessed at \$3,941.10 plus 3.0467% (increased from 2.7957% in 2014-15) on the average unimproved value above \$150,000.
 - The owner of land which has an average unimproved land value greater than \$275,000 will be assessed at \$7,749.48 plus 4.4339% (increased from 4.0245% in 2014-15) on the average unimproved value above \$275,000.
12. Rural land will not be altered and will be assessed at a rate of 0.1468%
13. This instrument revokes DI2014-185. DI2014-185 continues to apply to the period 1 July 2014 to 30 June 2015 inclusive.

Authorised by the Treasurer
Andrew Barr MLA