

Rates (Deferral) Determination 2015 (No 1)

Disallowable instrument DI2015–225

made under the

Rates Act 2004, section 46 (Determination for deferral of rates on application)

EXPLANATORY STATEMENT

1. This Disallowable Instrument is taken to have commenced on 1 July 2015.
2. As part of the 2015–16 Budget, the Government is continuing to implement measures that reform the Territory’s taxation system.
3. Pensioners and other eligible households are able to defer payment of their general rates. This instrument updates the eligibility criteria for general rates deferral to non-pensioners who meet income, land value and equity tests.
4. This rates deferral scheme supports ageing in place by providing a choice to households with high value properties, but relatively modest incomes, to defer their rates as a charge against the property.
5. This instrument determines the income, asset and equity requirements that form the eligibility criteria for the rates deferral scheme.
6. Under section 46 of the *Rates Act 2004* (the Act), the Minister has authority to determine, by disallowable instrument, the amounts and rates applicable for the deferral of rates for non-pensioners.
7. This instrument determines, for section 46 (2) (f) (ii) of the Act, that the **income threshold amount** is \$88,500. The Commissioner for ACT Revenue (the Commissioner) must be satisfied that the total income of the owner, or all the owners, of a parcel is not more than this amount to make a determination about the deferral of rates.
8. The determined income threshold amount has been increased from \$86,750 and is based on the ACT adult full time Average Weekly Earnings (Original) data for November 2014 as published by the Australian Bureau of Statistics.
9. For section 46 (2) (f) (iii) of the Act, this instrument determines that the **determined value** is \$407,000. The Commissioner must be satisfied that the unimproved value of a parcel is more than the determined value to make a deferral determination.

10. The determined value of \$407,000 is more than the 80th percentile unimproved value and has not changed from the previous instrument. The determined value is reviewed annually to ensure it is reflective of current market values.
11. Additionally, this instrument determines that the *determined percentage* for section 46 (2) (f) (iv) is 75 per cent. The Commissioner must be satisfied that the property owners have at least the determined percentage of equity in their home in order to make a deferral determination. This percentage remains unchanged from the previous instrument.
12. This instrument revokes DI2014-183. However, DI2013-183 continues to apply for the period 1 July 2014 to 30 June 2015, inclusive.