

Australian Capital Territory

Taxation Administration (Amounts payable – Home Buyer Concession Scheme) Determination 2003 (No 1)

Disallowable instrument DI2003—169

made under the

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

EXPLANATORY STATEMENT

Summary

The *Taxation Administration Act 1999* deals with the administration of various tax laws relating to the imposition of certain taxes, duties and fees. These tax laws are specified in section 4 of the *Taxation Administration Act 1999*. Section 139 of the *Taxation Administration Act 1999* empowers the Minister to determine these taxes, duties and fees.

One of the specified tax laws is the *Duties Act 1999* (the Act), Chapter 2 of which deals with the grant of a Crown lease and transfers of land which are subject to duty.

This determination revokes Determination No 189 of 2000, which was notified in the ACT Gazette No 25 of 22 June 2000, made under the *Taxation Administration Act 1999*. This determination modifies the existing Home Buyer Concession Scheme ('Scheme') and applies to transfers of interests in land which take place on and from 1 July 2003.

Determination No 189 of 2000 will continue to apply in respect of transfers of interests in land which took place from 1 July 2000 to 30 June 2003.

Changes to the Scheme

The following changes made by this determination improve the equity of the scheme:

- Concessional Rates and Dutiable Value Thresholds:
 - for **eligible property** purchases where the dutiable value exceeds **\$180,000** (previously \$116,000) the concessional rate of duty is **\$10.81** (previously \$14.23) for each \$100 or part thereof exceeding \$180,000 up to **\$249,000** (previously \$140,000). There is a \$20 minimum duty. Beyond \$249,000 no concession is available;
 - for **eligible vacant block** purchases where the dutiable value exceeds **\$80,000** (previously \$58,000) the concessional rate of duty is **\$14.30** (previously \$10.54) for each \$100 or part thereof exceeding \$80,000 up to **\$93,000** (previously \$70,000). There is a \$20 minimum duty. Beyond \$93,000 no concession is available;
- The Income Threshold is **\$50,000** per annum (previously \$45,000) and the allowance for each dependent child is **\$3,303** per annum (previously \$1,150), up to a maximum of \$66,515 for 5 or more dependent children.

The property and income threshold changes are necessary because of increases in property prices and incomes in the ACT. The changes to the concessional rates ensure that the amount of the concession progressively reduces to zero at the upper dutiable value thresholds.

The terms “**domestic partner**” and “**domestic relationship**” as defined in the *Legislation Act 2001* have been included instead of “spouse”.

Concessional Rates and Dutiable Value Thresholds

If the dutiable value of an **eligible property** does not exceed \$180,000 an eligible home buyer is entitled to a maximum duty concession of \$4,780, with a minimum duty of \$20 applied (purchases of homes valued at \$180,000 without the concession will incur duty of \$4,800). Part concession is available for purchases of eligible homes more than \$180,000 but less than \$249,000. The part concession is \$10.81 for each \$100 or part thereof exceeding \$180,000 up to \$249,000 at which point and beyond no concession is available.

If the dutiable value of an **eligible vacant block** does not exceed \$80,000 an eligible home buyer is entitled to a maximum duty concession of \$1,580 with the minimum duty of \$20 applied (purchases of vacant blocks valued at \$80,000 without the concession will incur duty of \$1,600). Part concession is available for purchases of vacant blocks greater than \$80,000 but less than \$93,000. The part concession is \$14.30 for each \$100 or part thereof exceeding \$80,000 up to \$93,000 at which point and beyond no concession is available.

Where the purchase is for a **share** in an eligible property or an eligible vacant block, the concession is proportional to the share purchased by the eligible home buyer.

Income Thresholds

The table below shows the old and new and income thresholds:

Number of dependent children	Old	New
0	\$45,000	\$50,000
1	\$46,150	\$53,303
2	\$47,300	\$56,606
3	\$48,450	\$59,909
4	\$49,600	\$63,212
5 or more	\$50,750	\$66,515

A 'dependent child' has the same meaning as in the *Social Security Act 1991* (Cth), which currently is a child under the age of 22 and meets certain income tests.

Definitions

The definition of spouse has been replaced with “**domestic partner**” and “**domestic relationship**” to bring this instrument in line with the *Legislation Act 2001*.

Authorised by the Treasurer, Ted Quinlan MLA