

Australian Capital Territory

Taxation Administration (Amounts Payable—Rates) Determination 2019 (No 2)

Disallowable instrument DI2019–272

made under the

Rates Act 2004, s 46 (2) (f) (Determination for deferral of rates on application)

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

EXPLANATORY STATEMENT

Commencement

This instrument commences on 16 December 2019.

Background

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* (the Act).

Under section 46 (2) (f) of the Act, the Minister may also determine by disallowable instrument the amounts and rates payable for the deferral of general rates for eligible non-pensioners.

This instrument is a consolidated determination of various amounts in relation to the following taxes and levies levied under the Act:

- general rates, including deferral and rebate amounts;
- Fire and Emergency Services Levy (FESL), including rebate amounts;
- City Centre Marketing and Improvements Levy (CCMIL); and
- Safer Families Levy.

Update

This instrument replaces the *Taxation Administration (Amounts Payable—Rates) Determination 2019 (No 1)*, DI2019-142 to account for an amendment made by the *Revenue Legislation Amendment Act 2019 (No 2)* that omitted criteria for rates deferral under section 46 (2) (f) of the Act relating to thresholds for unimproved value of the parcel and total income.

This is the only update. All the other provisions of DI2019-142 remain unchanged.

Determination of general rates (part 2)

General rates are levied on residential, commercial and rural properties to provide funding for a wide range of essential services to the Canberra community, including municipal services, schools, roads and hospitals.

This part determines the components of general rates—the fixed charge and percentage rates (marginal rating factors)—that apply to a parcel of residential land, commercial land or rural land.

This part clarifies that any amount that is part of an AUV must be rounded down to the nearest dollar before the marginal rating factors are applied.

The ‘base value’ referred to in this part is a reference to the base value to which marginal rating factors apply.

- For non-unit properties, base value refers to the Average Unimproved Value (AUV) of the parcel of land—see section 14 (3) of the Act.
- For residential units, base value refers to AUVRU (the AUV of the entire parcel as it relates to the proportion of all residential units)—see section 29 (5) of the Act.
- For units other than residential units (commercial units), base value refers to AUVU (the AUV of the entire parcel proportionate to the individual commercial unit)—see section 29 (5) of the Act.

The 2019-20 residential general rates are made up of a fixed charge of \$875 (increased from \$815 in 2018-19) and marginal rating factors determined as follows. From 2019-20, different rating factors will apply to residential land (e.g. standalone houses) and units.

Table 1: Percentage rates—residential land

Base value	2018-19	2019-20
\$150,000 or less	0.3130%	0.3197%
\$150,001 to \$300,000	0.4088%	0.4155%
\$300,001 to \$450,000	0.5130%	0.5197%
\$450,001 to \$600,000	0.5603%	0.5670%
\$600,001 to \$750,000	0.5700%	0.5767%
\$750,001 or more	0.5700%	0.5817%

Table 2: Percentage rates—residential units

Base value	2019-20
\$600,000 or less	0.4757%
\$600,001 to \$2,000,000	0.5885%
\$2,000,001 to \$3,650,000	0.6927%
\$3,650,001 to \$4,850,000	0.7400%
\$4,850,001 or more	0.7810%

The 2019-20 commercial general rates are made up of a fixed charge of \$2,622 (increased from \$2,463 in 2018-19) and marginal rating factors determined as follows. The 2018-19 charges are listed for comparison.

Table 3: Percentage rates—commercial

Base value	2018-19	2019-20
\$150,000 or less	3.0800%	3.2341%
\$150,001 to \$275,000	3.6161%	3.7702%
\$275,001 to \$600,000	5.1074%	5.2615%
\$600,001 or more	5.1675%	5.3216%

The 2019-20 rural general rates are made up of a fixed charge of \$167 (increased from \$163 in 2018-19) and a flat percentage rate of 0.1544% of the base value (increased from 0.1513% in 2018-19).

Determination of deferral and rebate amounts for rates (part 3)

Under part 7 of the Act (Deferral and rebates), pensioners and other eligible households are able to defer payment of general rates. 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.

Owners of a parcel of land who are not pensioners are only eligible to have rates deferred if the following conditions are met:

- they are 65 years or older; and
- their equity in the parcel is not less than a percentage determined by the Minister.

Under section 46 (2) (f) of the Act, the determined percentage is 75 per cent (the owner's minimum equity).

Part 7 of the Act also allows eligible pensioners to apply for a rebate of general rates on their principal place of residence. The amount of the rebate is capped at an amount determined by the Minister.

This part of the instrument determines the rebate cap to be \$700 for the purposes of section 64 (6) of the Act. The rebate cap is unchanged from the previous instrument.

Determination of Fire and Emergency Services Levy (part 4)

The FESL is charged on all rateable properties in the Territory, with the revenue helping to offset the cost of providing fire and emergency services in the ACT. The levy amount is determined by whether the parcel of land is residential, rural or commercial.

For residential and rural properties the FESL is a fixed charge. This part determines the 2019-20 FESL for residential and rural properties at \$344 (previously \$336 in 2018-19).

For commercial properties the FESL is a marginal factor applying to the AUV of the land. This part determines the 2019-20 FESL for commercial properties as follows. 2018-19 charges are listed for comparison.

AUV	2018-19	2019-20
\$300,000 or less	0.7068%	0.6815%
\$300,001 to \$2,000,000	0.8226%	0.8029%
\$2,000,001 or more	0.8040%	0.8342%

FESL for commercial units is calculated in a similar way to general rates for commercial units in accordance with schedule 1, section 2.1 (1) (f) of the Act.

Determination of CCMIL (part 5)

The CCMIL is an annual charge on commercial properties within prescribed collection areas. Collection areas are determined by disallowable instrument under schedule 1, section 1.2 (2) of the Act.

This part determines the following percentage rates for the CCMIL:

- Area A, or the Retail Core—0.2992 per cent of the AUV;
- Area B, or the Non-Retail Core—0.2161 per cent of the AUV.

These amounts are unchanged from the previous instrument.

Determination of Safer Families Levy (part 6)

The Safer Families Levy was introduced as part of the 2016-17 Budget. The levy is an important part of a funding package for family violence prevention measures across the ACT, driving the next phase of reform in government and community-backed responses to family violence. The levy is imposed on residential and rural properties.

This part determines the levy to be \$30 for the purposes of schedule 1, section 1.3 (2) of the Act. This amount is unchanged from the previous instrument.

Determination of FESL rebate (part 7)

Schedule 1, section 3.2 of the Act allows eligible pensioners to apply for a rebate of the FESL on their principal place of residence. The amount of the rebate is capped at an amount determined by the Minister.

This instrument determines the rebate to be \$98 for the purposes of schedule 1, section 3.2 (5) of the Act. This amount is unchanged from the previous instrument.

Revocation

This instrument revokes the *Taxation Administration (Amounts Payable—Rates) Determination 2019 (No 1)* DI2019-142.

DI2019-142 continues to apply in the period between 1 July 2019 and 15 December 2019 inclusive.

Authorised by the Treasurer
Andrew Barr MLA