

Australian Capital Territory

Taxation Administration (Amounts Payable—Land Tax) Determination 2024

Disallowable instrument DI2024–181

made under the

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

EXPLANATORY STATEMENT

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 *Land Tax Act 2004* (the Act).

The *Taxation Administration (Amounts Payable—Land Tax) Determination 2024* (the Determination) determines the fixed charge and percentage rates (commonly referred to as ‘marginal rating factors’) for land tax and a flat percentage rate for the foreign ownership surcharge (the surcharge).

From 1 July 2018, land tax is imposed on a parcel of rateable residential land unless it is an owner’s principal place of residence or the parcel is subject to an exemption from land tax.

Commencement

The Determination commences on 1 July 2024.

Base value

The ‘base value’ referred to in this instrument is a reference to the base value to which rating factors apply:

- for non-unit properties, base value refers to the Average Unimproved Value (AUV) of the parcel of land.
- for residential units, base value refers to AUVRU (the AUV of the entire parcel as it relates to the proportion of all residential units).

The AUV of a parcel of land is determined based on the unimproved value of land averaged over a period of up to five years. The Determination also 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.

Determination of land tax

From 1 July 2024, land tax is made up of:

- a fixed charge of \$1,612 – a 5 per cent increase from \$1,535 for 2023-24; and
- marginal rating factors – an additional base value threshold is applied at \$1 million with a related percentage rate, and an increase in the percentage rate for the highest base value threshold, as below.

Table 1: Comparison of land tax marginal rating factors

Base value	2022-23	2023-24	2024-25
\$150,000 or less	0.54%	0.54%	0.54%
\$150,001 to \$275,000	0.64%	0.64%	0.64%
\$275,001 to \$2,000,000	1.12%	1.12%	N/A
\$275,001 to \$1,000,000	N/A	N/A	1.24%
\$1,000,000 to \$2,000,000	N/A	N/A	1.25%
\$2,000,001 or more	1.14%	1.14%	1.26%

The Determination includes an example concerning how the determined fixed charges and percentage rates apply to a quarter. The amounts determined in this instrument are the amounts that would apply if a parcel of land was liable over a full year, or four consecutive quarters. The example clarifies the existing practice of calculating land tax for a single quarter by apportioning the annual amount to the number of days in the full year corresponding to the quarter.

Determination of foreign ownership surcharge

A surcharge on foreign investors who own residential property in the ACT commenced on 1 July 2018. The surcharge is applied to a parcel of rateable residential land owned by a foreign person on the first day of a quarter.

The Determination determines a surcharge rate of 0.75 per cent of the property's base value for the purposes of section 17E (4) of the Act.

Revocation

Section 8 of the Determination revokes DI2023-168.