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## A GUIDE TO LAND TAX

Land tax is a tax levied on the owners of land in NSW as at midnight on 31 December of each year. In general, your principal place of residence (your home) or land used for primary production (a farm) is exempt from land tax. You may be liable for land tax if you own or part-own:

- vacant land, including vacant rural land
- a holiday home
- investment properties
- company title units, or
- residential, commercial or industrial units.

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### Who needs to pay land tax:

An owner with one or more parcels of taxable land (eg strata lots, investment properties, holiday houses, commercial premises, vacant land, company title units, etc) is liable to pay land tax.

*Joint owners* are assessed as if they are a single owner. Each joint owner may be assessed separately on all their interests in land, with their share of the jointly owned parcel of land added to the value of land that they own individually. Where tax is paid by the joint owners, each joint owner is entitled to a deduction in their separate assessment to avoid double taxation of jointly owned land.

A *company* is assessed in the same way as a sole owner unless it is related to another company. A related company can be assessed separately or assessed jointly with another company or companies which it is related to.

A *non-concessional company* is assessed at the rate of 1.7 per cent on the combined taxable value of the land. A trustee of a trust is assessed in the same way as a sole owner unless it is a special trust.

*Special trusts* are assessed at the rate of 1.7 per cent on the combined taxable value of the land.

### General thresholds and rates:

For the 2006 land tax year a \$352,000 threshold will apply to owners of liable land. The land tax rate for 2006 will be 1.7 per cent (plus \$100) on the combined value of all taxable land in excess of \$352,000. If your land tax liability is less than \$100, no land tax will be payable.

### How valuations are made:

Annual valuations for land tax are made by the Valuer-General as at 1 July preceding each land tax year.

These values should not be confused with those made every three years (approximately) for local government rating purposes.

The Register of Land Values is maintained by the Department of Lands, on behalf of the Valuer-General.

Registered land tax clients can obtain their land valuations by calling a dedicated land valuation hotline Phone: *1300 308 863* enquiries from 8.30am to 8.30pm, Monday to Friday.

For more information about land valuations and lodging an objection, visit <http://www.lands.nsw.gov.au>.

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### For More Information contact us at:

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