



# QUEENSLAND LAND TAX

## INFORMATION SHEET

### 2001-02 financial year

#### What is land tax?

Land tax is an annual tax levied on the aggregate unimproved value of freehold land that a person owns in Queensland as at midnight on 30 June. The tax assessed covers the following financial year, however no pro rata adjustment of tax is made where the owner disposes of the land during that financial year.

#### Who is liable?

Owners may be liable for land tax where the aggregate unimproved value of freehold land owned by them at 30 June 2001 is equal to or greater than:

- \$221,665 for all natural persons (other than absentees and trustees), deceased estate under administration;
- \$100,000 for companies, trustees (including trustees of testamentary trusts), absentees, clubs, associations, societies, and managers of time-share schemes.

An "absentee" is a person who does not ordinarily reside in Australia or an external Territory.

Where there are five or more joint owners, the Commissioner of Land Tax may make one assessment and declare any joint owner to be the agent or trustee of all joint owners of the same land.

#### Deductions

##### Statutory deduction

Natural persons who own freehold land in Queensland and are residents of Australia automatically receive a statutory deduction of \$200 000.

Owners of land with a total unimproved value less than \$221 665 will not receive assessments. This is because assessments are not issued for less than \$100, which is the tax levied on a taxable value of \$21 665.

##### Other deductions

Also available are deductions for a principal place of residence and for land used for the business of agriculture, pasturage or dairy farming. These must be claimed on the appropriate forms which can be obtained from the Office of State Revenue, through the OSR website. Address details are on the reverse of this page.

A deduction once granted will be allowed in subsequent years. The onus is therefore on landowners to inform the Commissioner of Land Tax in writing when their eligibility for deduction ceases.

##### Principal place of residence

Australian resident owners who occupy a dwelling or unit on their land as their principal place of residence may apply for this deduction. Trustees of a trust who own land which all the beneficiaries of the trust use as their principal place of residence may also apply.

For the purpose of the deduction, land is not used as a principal place of residence unless the owner has used that land, and no other land for residential purposes, continuously for the relevant period preceding 30 June 2001 (generally 6 months or from date of purchase). For a claim to succeed, no part of the land or any buildings on it can be rented, leased or let or used for business activity.

##### Land used solely for the business of agriculture, pasturage or dairy farming

All or part of the land must be used solely for the business of agriculture, pasturage or dairy farming. Use as a hobby farm does not qualify. Further information can be obtained from the OSR website, Practice Direction LT 1.1.

Owners eligible to claim the deduction are natural persons, absentees who are Australian citizens, relevant proprietary companies, exempt charitable institutions and trustees of trusts. The trustees must be either natural persons who are not absentees or relevant proprietary companies.

For a natural person, this deduction is only granted where the value of the farming properties claimed exceeds the statutory deduction of \$200 000. **If this deduction is granted the statutory deduction will not apply.**

## Exemptions

A society, club or association may apply for exemption if it is not carried on for pecuniary profit and the land it owns is not rented, leased or let and is used by it for its aims and objects. Further information can be obtained from the OSR website, Practice Direction LT4.2.

Exempt charitable institutions that use their land for qualifying exempt purposes are also eligible for exemption. Further information can be obtained from the OSR website, Revenue Rulings G2.1, G3.1, G4.1 and G5.1.

### Calculation of taxable value

	Total unimproved value
Less	Allowable deductions
Less	Total unimproved value of all lands exempt from taxation
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	Taxable value
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### What are the rates of tax?

Land tax is assessed on a sliding scale. The maximum rate is 1.8%. The rates for 2001-02 are as follows:

<u>Taxable Value</u>	<u>Tax Payable</u>
Less than \$4,000 .....	0.20 cents in each \$
\$4,000 - \$5,999 .....	\$8.00 plus 0.36 cents in each \$ more than \$4,000
\$6,000 - \$9,999 .....	\$15.20 plus 0.52 cents in each \$ more than \$6,000
\$10,000 - \$29,999 .....	\$36.00 plus 0.70 cents in each \$ more than \$10,000
\$30,000 - \$49,999 .....	\$176.00 plus 0.87 cents in each \$ more than \$30,000
\$50,000 - \$199,999 .....	\$350.00 plus 1.03 cents in each \$ more than \$50,000
\$200,000 - \$349,999 .....	\$1,895.00 plus 1.20 cents in each \$ more than \$200,000
\$350,000 - \$499,999 .....	\$3,695.00 plus 1.37 cents in each \$ more than \$350,000
\$500,000 - \$649,999 .....	\$5,750.00 plus 1.54 cents in each \$ more than \$500,000
\$650,000 - \$799,999 .....	\$8,060.00 plus 1.71 cents in each \$ more than \$650,000
\$800,000 - \$949,999 .....	\$10,625.00 plus 1.89 cents in each \$ more than \$800,000
\$950,000 - \$1,099,999 .....	\$13,460.00 plus 2.01 cents in each \$ more than \$950,000
\$1,100,000 - \$1,249,999 .....	\$16,475.00 plus 2.23 cents in each \$ more than \$1,100,000
\$1,250,000 - \$1,299,999 .....	\$19,820.00 plus 2.44 cents in each \$ more than \$1,250,000
\$1,300,000 - \$1,349,999 .....	\$21,040.00 plus 2.66 cents in each \$ more than \$1,300,000
\$1,350,000 - \$1,399,999 .....	\$22,370.00 plus 2.87 cents in each \$ more than \$1,350,000
\$1,400,000 - \$1,449,999 .....	\$23,805.00 plus 3.09 cents in each \$ more than \$1,400,000
\$1,450,000 - \$1,499,999 .....	\$25,350.00 plus 3.30 cents in each \$ more than \$1,450,000
\$1,500,000 or more	1.80 cents for each and every \$

### Rebates

All taxpayers receive a general rebate of 15%.

Companies and trusts may receive a rebate in addition to the general rebate depending on the taxable value of their land. The rates are as follows:

<u>Amount of taxable value</u>	<u>%</u>
\$1 or more but less than \$150,000 .....	25.00
\$150,000 or more but less than \$155,000 .....	18.75
\$155,000 or more but less than \$160,000 .....	12.50
\$160,000 or more but less than \$165,000 .....	6.25

This Sheet contains general information only. For specific information, contact the Office of State Revenue, refer to the *Land Tax Act 1915* and the *Land Tax Regulation 1999* or seek professional advice.

#### OFFICE OF STATE REVENUE ADDRESSES

33 Charlotte St, Brisbane Qld 4000  
 GPO Box 2476, Brisbane Qld 4001  
 Website: [www.osr.qld.gov.au](http://www.osr.qld.gov.au)  
 E-mail: [landtax@osr.treasury.qld.gov.au](mailto:landtax@osr.treasury.qld.gov.au)

#### LAND TAX CONTACT NUMBERS

From within Qld: 1300 301 547  
 From Interstate: 07 3227 6044  
 Facsimile: 07 3227 7577