

# Queensland land tax

## 2003-04 financial year

### What is land tax?

Land tax is an annual tax levied since 1915 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.

The Office of State Revenue (OSR) collects land tax in Queensland under the provisions of the *Land Tax Act 1915*.

### Do I have to pay land tax?

If you are a natural person, you may be liable to pay land tax if the total unimproved value of the freehold land you own at 30 June 2003 is equal to or greater than \$275,997.

If you are a company, trustee (including trustees of testamentary trusts), club, association, society, manager of time-share schemes or an absentee (i.e. you do not ordinarily reside in Australia or an external territory), you may be liable to pay land tax if the total unimproved value of the freehold land you own at 30 June 2003 is equal to or greater than \$170,000.

Where there are five or more joint owners of a parcel of land that has a relevant unimproved value of \$50,000 or more, 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**

If you are a natural person who owns freehold land in Queensland and you are also a resident of Australia, you will automatically receive a statutory deduction of \$220,000.

If you own land with a total unimproved value less than \$275,997, you will not receive an assessment. Assessments are not issued for less than \$350, which is the tax levied on a taxable value of \$55,997.

#### **Other deductions**

You may also be eligible for other deductions. These deductions are for a principal place of residence (PPR) and for land used for the business of agriculture, pasturage or dairy farming. You can claim these by filling out the appropriate forms which are available from OSR and our website: [www.osr.qld.gov.au](http://www.osr.qld.gov.au)

If you are granted a deduction, you will receive a deduction in subsequent years. However, you are required to inform the Commissioner of Land Tax in writing when your eligibility for the deduction ends.

#### **Principal place of residence**

If you are a resident land owner who occupies a unit or dwelling on your land as your PPR, you can apply for a principal place of residence deduction.

If you are a trustee of a trust that owns land where all the beneficiaries of the trust occupy a unit or dwelling as their PPR, you can also apply for this deduction.

For the purpose of the deduction, your land is not used as a PPR unless you have used that land, and no other land for residential purposes, continuously for the relevant period preceding 30 June 2003 (generally six months or from date of purchase). Your claim will not be allowed if any part of your land or any buildings on it are rented, leased or let or used for business activity.

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

If all or part of your land is used solely for the business of agriculture, pasturage or dairy farming, you may be eligible for this deduction. If your land is used as a hobby farm, you do not qualify.

If you are a natural person, absentee who is an Australian citizen, relevant proprietary company, exempt charitable institution or trustee of a trust, you can apply for this deduction. If you are a trustee, you must be either a natural person who is not an absentee or relevant proprietary company.



If you are a natural person, this deduction is only granted where the value of the farming properties claimed exceeds the statutory deduction of \$220,000. If this deduction is granted, the statutory deduction will not apply.

### Exemptions

If you are a society, club or association, you may apply for an exemption if your business is not carried on for pecuniary profit and the land you own is not rented, leased or let. You are required to use the land for the business's aims and objectives.

If you are an exempt charitable institution that uses land for qualifying exempt purposes, you are also eligible for an exemption.

### How is land tax calculated?

	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 per cent. The rates for 2003-04 are:

Taxable value	Tax payable
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 natural persons receive a general rebate of 15 per cent. The general rebate does not apply to companies, trustees or absentees.

Companies, trustees and absentees may receive a phasing-in rebate depending on the taxable value of their land. This phasing-in rebate is a maximum of 36 per cent where the taxable value is \$170,000, and then reduces by 0.5 per cent for every \$1,000 of taxable value in excess of \$170,000. The phasing-in rebate cuts out when the taxable value reaches \$235,000.

This information 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.

#### Queensland Office of State Revenue locations:

Brisbane Upper Plaza 33 Charlotte Street (GPO Box 2476) Brisbane 4001 Ph: 1300 301 547 (07) 3227 6044	Rockhampton Level 3 209 Bolsover Street (PO Box 1276) Rockhampton 4700 Ph: 1300 300 734	Townsville Level 1 187-209 Stanley Street (PO Box 988) Townsville 4810 Ph: 1300 300 734	Cairns Level 9 15 Lake Street (PO Box 2378) Cairns 4870 Ph: 1300 300 734
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Visit our website at [www.osr.qld.gov.au](http://www.osr.qld.gov.au) to obtain Revenue Rulings, Practice Directions, Information Sheets and Approved forms relating to this and other State taxation subjects.

