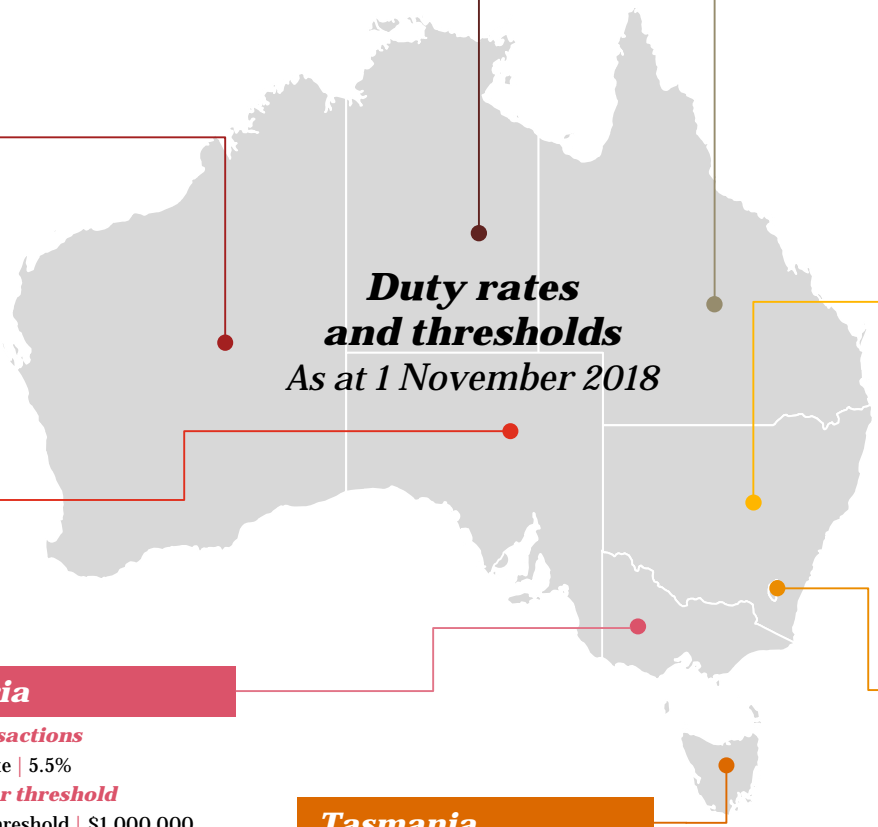


Australian Stamp Duty, Land Tax & Surcharges

1 November 2018

General Australian Stamp Duty Rates and Thresholds



**Duty rates
and thresholds**
As at 1 November 2018

Northern Territory

Asset Transactions

Max. duty rate | 5.95%

Land holder threshold

Land value threshold | \$500,000

Effective duty rate | 5.95%

Western Australia

Asset Transactions

Max. duty rate | 5.15%

Land holder threshold

Land value threshold | \$2,000,000

Effective duty rate | 5.15%

The WA Government to introduce an additional 7% surcharge for foreign purchasers of residential property from 1 January 2019

South Australia

Now applies to "residential" and "primary production" land only

Duty on other assets abolished from 1 July 2018

Asset Transactions

Max. duty rate | 5.5%

Land holder threshold

Land value threshold / Nil (i.e. any interest in land)

Effective duty rate | 5.5% (0.55% listed)

Additional 7% surcharge applies to foreign purchasers of residential property

Victoria

Asset Transactions

Max. duty rate | 5.5%

Land holder threshold

Land value threshold | \$1,000,000

Effective duty rate | 5.5% (0.55% listed)

Additional 7% surcharge applies to foreign purchasers of residential property

Tasmania

Asset Transactions

Max. duty rate | 4.5%

Land holder threshold

Land value threshold | \$500,000

Effective duty rate | 4.5% (0.45% listed)

Additional 3% surcharge applies to foreign purchasers of residential property

Queensland

Asset Transactions

Max. duty rate | 5.75%

Land holder threshold

Land value threshold | \$2,000,000

Effective duty rate | 5.75% (0.575% listed)

Unit Trust Transactions

Trust "look through" duty | Yes

Effective duty rate | 5.75%

Additional 7% surcharge applies to foreign purchasers of residential property

New South Wales

Asset Transactions

Max. duty rate | 5.5%

Land holder threshold

Land value threshold | \$2,000,000

Effective duty rate | 5.5% (0.55% listed)

Premium rate of 7% applies for the transfer of residential property where value exceeds \$3m

Additional 8% surcharge applies to foreign purchasers of residential property

ACT

Asset Transactions

Max. duty rate | 5% commercial (where land value over \$1,500,000) or Nil (where land value under \$1,500,000 but lodgement still required)

Land holder threshold

Land value threshold | Nil (i.e. any interest in land)

Effective duty rate | 5% commercial (where land value over \$1,500,000) or Nil (where land value under \$1,500,000 but lodgement still required)

Different rates apply to non-commercial conveyances (eg residential, primary production and home business properties)

Australian Land Tax Rates and Taxing Dates

Northern Territory

Derelict & Vacant Residential Levy
From 1 July 2019
1% levy imposed on unimproved capital value for vacant buildings
2% levy imposed for vacant undeveloped land

Western Australia

General Land Tax Rate*
Max. rate | 2.67%
Surcharge Land Tax Rate
Not imposed at this stage
Taxing Date
Midnight on 30 June in each year
Metropolitan Region Improvement Tax Rate
0.14% | In addition to land tax for property located in the metropolitan area

South Australia

General Land Tax Rate*
Max. rate | 3.7%
Surcharge Land Tax Rate
Not imposed at this stage
Taxing Date
Midnight on 30 June in each year

Victoria

General Land Tax Rate*
Max. rate | 2.25%
Rate for Trusts
Broadly, can include a surcharge of approx. 0.375%
Absentee Owner (Surcharge) Rate
An additional 1.5% applies to all land owned by absentee owners
Vacant Residential Land Tax Rate**
An additional 1% applies to all residential land in Melbourne's middle and inner suburbs left vacant for more than 6 months in a calendar year
Special Land Tax Rate
A one off tax of 5% for land that was exempt but ceases to be. For absentee owners, the Special Land Tax Rate is 6.5%
Taxing Date
Midnight on 31 December each year

Tasmania

General Land Tax Rate*
Max. rate | 1.5%
Surcharge Land Tax Rate
N/A
Taxing Date
Midnight on 1 July in each year

Queensland

General Land Tax Rate*
Max. rate / 2%
Surcharge Land Tax Rate
An additional 1.5% applies to all residential land owned by absentee individuals
Premium Rate for High Value Properties
Additional 0.5% for proportion of properties over \$10m in value
Taxing Date
Midnight on 30 June in each year

New South Wales

General Land Tax Rate*
Max. rate | 1.6% up to \$3,845,999 of value
Max. rate | 2% for high value properties – \$3,846,000 and over of value
Surcharge Land Tax Rate
An additional 2% applies to all residential land owned by foreign persons
Taxing Date
Midnight on 31 December each year

ACT

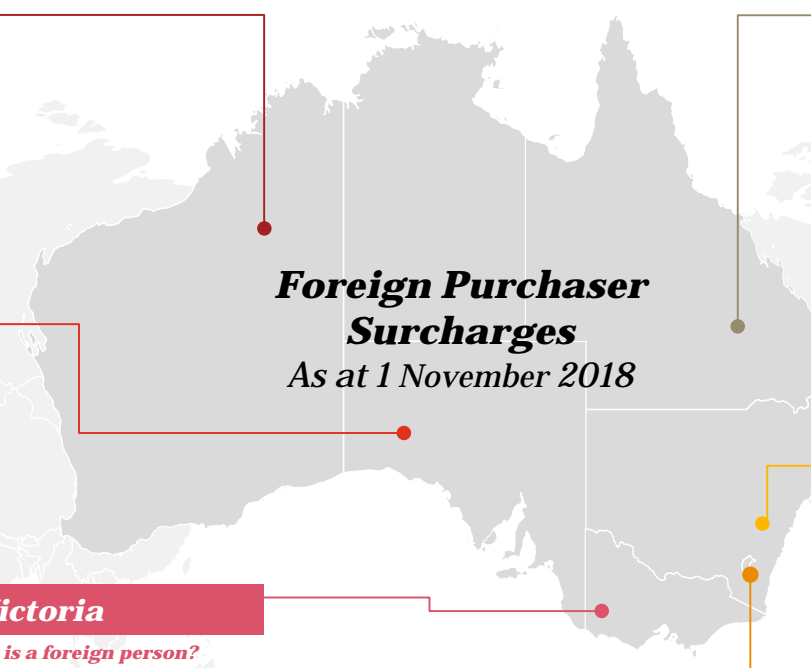
General Land Tax Rate*
Max. rate / Fixed charge of \$1,203 plus valuation charge up to 1.1% on 3 year average unimproved value
Applies to all rateable land that is residential land that is not exempt. Not commercial properties
Council Rates
Max. rate / Fixed charge of \$2,463 plus valuation charge of up to 5.1675% on 3 year average unimproved value (commercial properties) [lower rates apply for residential and rural land]
Surcharge Land Tax Rate
An additional 0.75% applies to all residential land owned by foreign persons
Taxing Date
Midnight on 1 July, 1 October, 1 January and 1 April in each year

Land Tax rates and taxing dates
As at 1 November 2018

NOTES

- * The rates provided above are the highest effective rates. Thresholds and lower rates of tax apply for lower value properties. Other levies and payments can apply to the holding of property and development of land.
- ** This is in addition to the Federal Government's Residential Vacancy Fee for residential properties left vacant for at least 6 months per year.

Additional Surcharges for Foreign Purchasers



Foreign Purchaser Surcharges As at 1 November 2018

Western Australia

The WA Government reconfirmed in its 2018-19 budget that it will be introducing a foreign owner surcharge of 7% to purchases of residential property by foreigners from 1 January 2019. The surcharge is intended to be restricted to residential property but is expected to exclude residential developments of ten or more properties, commercial residential property such as hotels, student accommodation and retirement villages, and mixed use properties that are used primarily for commercial purposes.

South Australia

Who is a foreign person?

- People other than Australian citizens & certain types of "permanent residents"
- Foreign incorporated company
- Foreign owned or controlled corporation (50% or more)
- Foreign Trust (foreigner entitled to 50% or more of trust)
- A person who becomes a foreigner within 3 years after residential property purchase

What is residential land?

- Apartments & houses
- Vacant residential land (including land with minor improvements)
- Land with improvements that are residential in character
- Excludes commercial residential property providing short term accommodation such as hotels, motels, serviced apartments, hostels & short term unit accommodation

Rate of duty surcharge?

7% (max total duty rate 12.5%)

Who is liable to pay at law?

Purchaser

Land Tax Surcharge

N/A

NOTES

- * The land tax surcharge is separate to the duty surcharge with different rules and definitions
- ** Ex gratia exemption may be available in Victoria and Queensland on land acquired for substantial developments if certain criteria are met
- *** Concessional treatment in NSW for developers in certain circumstances

Victoria

Who is a foreign person?

- People other than Australian citizens & certain types of "permanent residents"
- Foreign incorporated company
- Foreign owned corporation (more than 50%)
- Foreign Trust (foreigner owns more than 50% of trust)

What is Residential Property?

- Apartments & houses
- Vacant residential land
- Land intended to be used as residential property
- Land which the intention of use changes to residential property
- Excludes commercial residential property such as hotels, serviced apartments, hostels & most student accommodation

Rate of duty surcharge?

7% (max total duty rate 12.5%)

Who is liable to pay?

Purchaser

Land Tax Surcharge*

A surcharge of 1.5% (max land tax rate of 3.75%) applying to all land owned by foreigner

Queensland

Who is a foreign person?

- People other than Australian citizens & certain types of "permanent residents"
- Foreign incorporated company
- Foreign owned or controlled corporation (50% or more)
- Foreign Trust (foreigner entitled to 50% or more of trust)
- A person who becomes a foreigner within 3 years after residential property purchase

Some examples of residential property

- Apartments & houses
- Vacant residential land
- Improved land acquired to redevelop or refurbish for residential use
- Partly developed residential land
- Student dormitories excluded but exact limits of definition are unclear

Rate of duty surcharge?

- 7% (max total duty rate 12.75%)

Who is liable to pay at law?

Purchaser & vendor

Land Tax Surcharge*

A surcharge of 1.5% (max land tax rate of 3.5%) applying to all land with taxable value of \$350k & above held by absentee person (natural persons)

New South Wales

Who is a foreign person?

- Any person who requires FIRB approval (generally 20% or above foreign ownership & control)

Some examples of residential related property

- Apartments & houses
- Vacant or substantially vacant land
- Land with completed or partially completed dwellings
- Exemption for commercial residential premises (based on guidelines)

Rate of duty surcharge?

8% (max total duty rate 15%)

Who is liable to pay at law?

Purchaser

Land Tax Surcharge*

A surcharge of 2% (max land tax rate of 4%) applying to residential land owned by foreigner

ACT

Land Tax Surcharge*

A surcharge of 0.75% (max land tax rate of 1.85%) applying to residential land owned by foreigner

Tasmania

Rate of duty surcharge?

- 3% for residential property (max total duty rate 7.5%)
- 0.5% for primary production property

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This publication is a general summary of the law as at 1 October 2018. It is not legal or tax advice. Readers should not act on the basis of this publication before obtaining professional advice.

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