



New South Wales

Premium Property Tax Act 1998 No 79

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New South Wales

Premium Property Tax Act 1998 No 79

Act No 79, 1998

An Act to provide for the imposition of land tax on certain principal places of residence that have land values of not less than \$1 million; and for other purposes. [Assented to 14 July 1998]

The Legislature of New South Wales enacts:

Part 1 Preliminary

1 Name of Act

This Act is the *Premium Property Tax Act 1998*.

2 Commencement

This Act commences on a day or days to be appointed by proclamation.

3 Relationship with Land Tax Management Act 1956

- (1) This Act is to be construed with, and as if it formed part of, the *Land Tax Management Act 1956*.
- (2) In the event of an inconsistency between this Act and the *Land Tax Management Act 1956*, this Act prevails to the extent of the inconsistency.

4 Relationship with Taxation Administration Act 1996

This Act is to be read together with the *Taxation Administration Act 1996* which makes provision for the administration and enforcement of this Act and other taxation laws.

5 Definitions

In this Act:

Australian Bureau of Statistics includes the Australian Statistician and a person or body prescribed for the purposes of this definition.

land value means:

- (a) in the case of land other than a stratum, the land value of the land as determined in accordance with the *Valuation of Land Act 1916*, and
- (b) in the case of a stratum, the land value of the stratum as determined in accordance with the *Valuation of Land Act 1916*.

premium tax threshold for a land tax year means the premium tax threshold for that year determined under section 12.

Sydney statistical division means the local government areas specified in Schedule 1.

Part 2 Land tax on certain principal places of residence

6 Levy of land tax on land other than flats

- (1) In the case of land that is a principal place of residence and would be exempt from taxation under the *Land Tax Management Act 1956* by section 10 (1) (r) of that Act but for the fact that the land has a land value of not less than the premium tax threshold for that land tax year, land tax is payable by the owner of the land on the land value of the land as if it were the only land owned by the owner.
- (2) Section 9 (1) of the *Land Tax Management Act 1956* does not apply to land to which this section applies.

7 Levy of land tax on flats

- (1) If the value of the allowable proportion determined in accordance with section 9C (2) of the *Land Tax Management Act 1956* is not less than the premium tax threshold for a land tax year, the flat is taken, for the purposes of this Act and the *Land Tax Management Act 1956*, to be land having a land value equal to the value of the allowable proportion.
- (2) Land tax is payable by the owner of the flat on the land value attributed under subsection (1) as if the flat were the only land owned by the owner.

8 Rate of land tax

Land tax payable as referred to in section 6 or 7 is to be charged, levied, collected and paid under the provisions of the *Land Tax Management Act 1956* and in the manner prescribed under that Act for the period of 12 months commencing on 1 January in the year that next succeeds the year in which the ownership of the land is determined at the rate of:

- (a) for the period of 12 months commencing on 1 January 1999—\$100 plus 1.85c for each \$1 in excess of the premium tax threshold for the 1999 land tax year, and

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Part 2 Land tax on certain principal places of residence

- (b) for the period of 12 months commencing on 1 January in any subsequent year—\$100 plus 1.7c for each \$1 in excess of the premium tax threshold for the land tax year.

9 Rounding off of assessments

If on the assessment of land tax an amount is arrived at expressed in dollars and a number of cents which is not a multiple of 10, the number of cents is, if less than 10, to be disregarded or, if more than 10, to be reduced to the multiple of 10 next below.

Part 3 Identification of premium properties and determination of premium tax threshold

10 Determination of number of occupied private dwellings

- (1) During the month of September in each year, the Valuer-General is to obtain from the Australian Bureau of Statistics:
 - (a) the figure published by the Australian Bureau of Statistics from its most recent census of the total number of occupied private dwellings owned or being purchased in New South Wales, and
 - (b) an estimate of the cumulative percentage change in the population of New South Wales for the period since the most recent census to 31 December of the year before the year in which the information is obtained.
- (2) During the month of September in each year, the Valuer-General is to make a determination, for the purposes of the following land tax year, of the number of occupied private dwellings owned or being purchased in New South Wales by increasing the number obtained under subsection (1) (a) by the percentage obtained under subsection (1) (b).
- (3) On or before 15 October in each year, the Valuer-General is to publish the determination made under subsection (2) in the Gazette.
- (4) If the Australian Bureau of Statistics ceases to publish the total number of occupied private dwellings owned or being purchased in New South Wales, the regulations may prescribe the criteria or basis of calculation that is to be used in place of that number and a reference in this Act to that number is to be construed as a reference to the criteria or basis of calculation so prescribed.

11 Determination of change in residential property values

- (1) During the month of September in each year, the Valuer-General is to determine the percentage by which average land values of land within residential zones in the Sydney statistical division have changed between 1 July 1997 and 1 July last preceding the making of the determination.

- (2) For the purposes of this section, land is within a residential zone if it is zoned or otherwise designated for use under an environmental planning instrument (within the meaning of the *Environmental Planning and Assessment Act 1979*) for residential, or principally for residential, purposes.
- (3) On or before 15 October in each year, the Valuer-General is to publish the determination made under subsection (1) in the Gazette.

12 Premium tax threshold

- (1) The premium tax threshold for the 1998 land tax year is \$1 million.
- (2) The premium tax threshold for a land tax year subsequent to the 1998 land tax year is to be determined in accordance with the following formula, subject to subsections (3) and (4):
$$\$1 \text{ million} \times (100\% + \text{the percentage change in land values determined under section 11 (1) during the month of September preceding the land tax year})$$
- (3) If the Valuer-General is of the opinion that the number of occupied private dwellings owned or being purchased in New South Wales that would be liable to land tax payable as referred to in section 6 or 7 for a land tax year is greater than 0.2% of the number of occupied private dwellings owned or being purchased in New South Wales as determined under section 10 (2) for the purposes of that land tax year, the premium tax threshold for that land tax year is to be increased (or further increased) by an amount determined by the Valuer-General so that, as far as the Valuer-General is able to estimate, the land tax payable as referred to in section 6 or 7 for the land tax year is not payable in respect of more than 0.2% of that number.
- (4) The premium tax threshold for a succeeding land tax year is to remain the same as for the previous land tax year if the premium tax threshold determined in accordance with the formula in subsection (2) for the succeeding land tax year, or the premium tax threshold so determined as increased (or further increased) under subsection (3) is equal to or less than the premium tax threshold for the previous year.

- (5) A premium tax threshold determined in accordance with this section is to be rounded off to the nearest \$1,000.
- (6) On or before 15 October in each year, the Valuer-General is to publish the premium tax threshold applicable to the following land tax year in the Gazette.

Part 4 Miscellaneous

13 Amendment of Acts

Each Act specified in Schedule 2 is amended as set out in that Schedule.

14 Regulations

- (1) The Governor may make regulations, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed or that is necessary or convenient to be prescribed for carrying out or giving effect to this Act.
- (2) The regulations may provide for:
 - (a) the granting of concessions under this Act, and
 - (b) the granting of exemptions from this Act, or from a specified provision of this Act,to such persons (if any), or in relation to such land (if any), and in such circumstances (if any), as the regulations may prescribe.
- (3) A regulation made as referred to in subsection (2) has effect despite any of the provisions of the *Taxation Administration Act 1996*.
- (4) The regulations may amend Schedule 1:
 - (a) by omitting a local government area, or
 - (b) by inserting a local government area, or
 - (c) to give effect to the change of the name of a local government area or change resulting from a reconstitution of local government areas, or
 - (d) by omitting the Schedule and by inserting instead a Schedule that contains the names of local government areas.

15 Review of Act

- (1) The Minister is to review this Act to determine whether the policy objectives of the Act remain valid and whether the terms of the Act remain appropriate for securing those objectives.

- (2) The review is to be undertaken as soon as possible after the period of 5 years from the date of assent to this Act.
- (3) A report on the outcome of the review is to be tabled in each House of Parliament within 12 months after the end of the period of 5 years.

Schedule 1 Sydney statistical division

(Sections 5, 14)

Ashfield	Hawkesbury	Penrith
Auburn	Holroyd	Pittwater
Bankstown	Hornsby	Randwick
Baulkham Hills	Hunters Hill	Rockdale
Blacktown	Hurstville	Ryde
Blue Mountains	Kogarah	South Sydney
Botany	Ku-ring-gai	Strathfield
Burwood	Lane Cove	Sutherland
Camden	Leichhardt	Sydney
Campbelltown	Liverpool	Warringah
Canterbury	Manly	Waverley
Concord	Marrickville	Willoughby
Drummoyne	Mosman	Wollondilly
Fairfield	North Sydney	Woollahra
Gosford	Parramatta	Wyong

Schedule 2 Amendment of Acts

(Section 13)

2.1 Duties Act 1997 No 123

[1] Section 96 Transfer by corporation of principal place of residence to principal shareholder or spouse

Omit "the land value of the land" from section 96 (1) (c).
Insert instead "the operation of the *Premium Property Tax Act 1998*".

[2] Section 97 Transfer of principal place of residence by special trust to beneficiary etc

Omit "the land value of the land" from section 97 (d).
Insert instead "the operation of the *Premium Property Tax Act 1998*".

[3] Section 98 Transfer of principal place of residence by corporation to beneficiary of special trust

Omit "the land value of the land" from section 98 (d).
Insert instead "the operation of the *Premium Property Tax Act 1998*".

2.2 Land Tax Act 1956 No 27

Schedules 8 and 9

Omit the Schedules. Insert instead:

Schedule 8

(Section 3AG)

Where the taxable value assessed under the Principal Act	Rates of land tax payable
is less than \$160,000	nil
is not less than \$160,000	\$100 plus 1.85c for each \$1 in excess of \$160,000

Schedule 9

(Section 3AH)

Where the taxable value assessed under the Principal Act	Rates of land tax payable
is less than \$160,000	nil
is not less than \$160,000	\$100 plus 1.7c for each \$1 in excess of \$160,000

2.3 Land Tax Management Act 1956 No 26

[1] Section 3 Definitions

Insert in section 3 (1) in alphabetical order:

premium tax threshold for a land tax year means the premium tax threshold for that year determined under section 12 of the *Premium Property Tax Act 1998*.

[2] Section 9 Taxable value

Omit section 9 (3) and (4).

[3] Section 9C Reduction in land value for flats

Omit section 9C (4).

[4] Section 10 Land exempted from tax

Omit "\$1 million" from section 10 (1) (r).
Insert instead "the premium tax threshold".

2.4 Taxation Administration Act 1996 No 97

Section 4 Meaning of “taxation laws”

Insert in alphabetical order:

Premium Property Tax Act 1998

[Minister's second reading speech made in—
Legislative Assembly on 2 June 1998
Legislative Council on 1 July 1998]