

LAND TAX MANAGEMENT (AMENDMENT) BILL, 1984

EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

The following Bills are cognate with this Bill:—

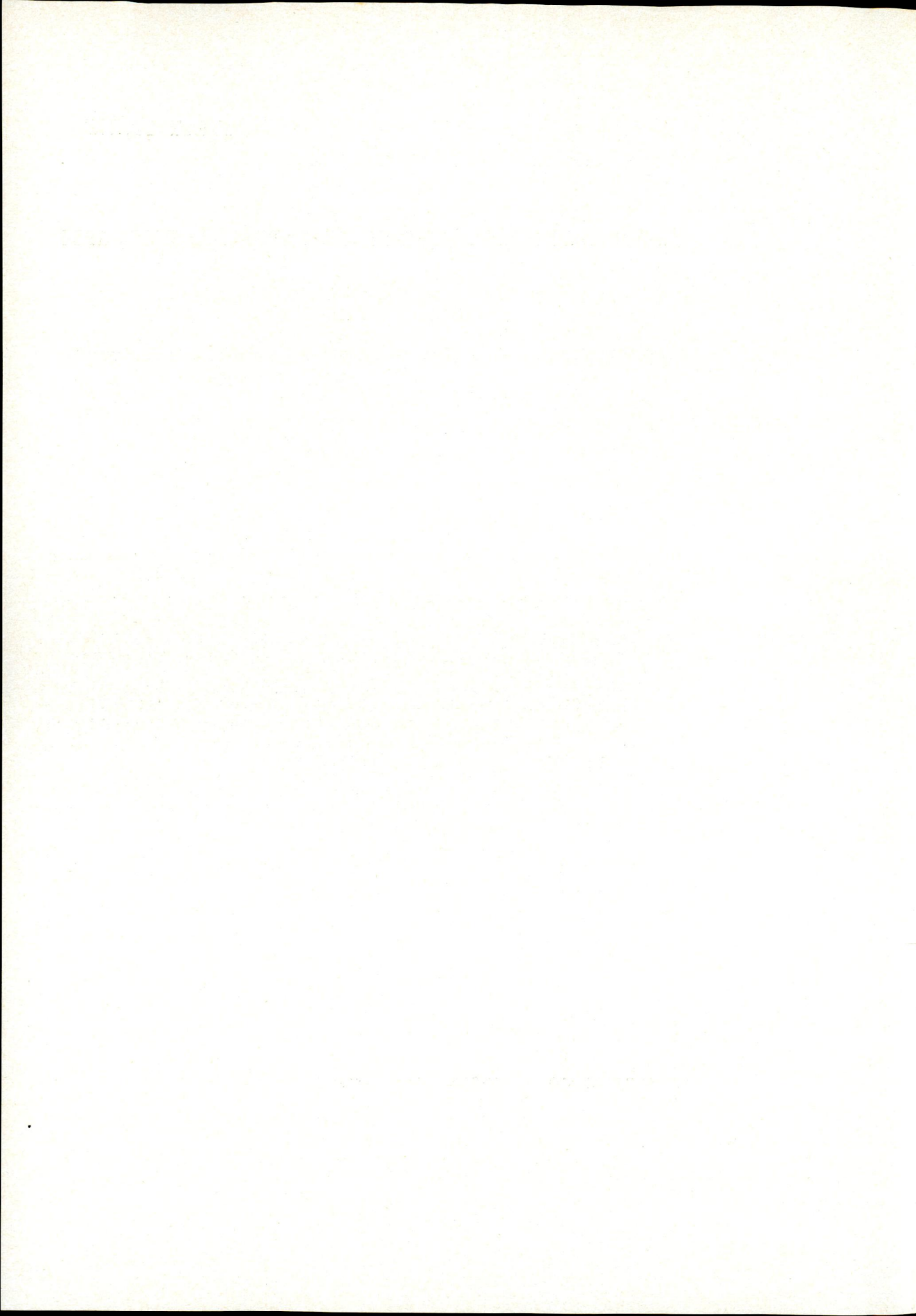
Land Tax (Amendment) Bill, 1984;

Strata Titles (Land Tax) Amendment Bill, 1984;

Landlord and Tenant (Land Tax) Amendment Bill, 1984.

The objects of this Bill are—

- (a) to make amendments consequential upon the adoption of a new taxation scale under the Land Tax Act, 1956 (Schedule 1 (1) and (3));
- (b) where there is an agreement for the sale of land, to require an instrument embodying or giving effect to the agreement to be duly stamped under the Stamp Duties Act, 1920, where the agreement is relevant to determining when the purchaser of the land becomes liable for land tax (Schedule 1 (2));
- (c) where land tax otherwise payable by a company is reduced by reason that a residential unit in a building owned by the company is occupied by an owner of shares in the company—to preclude the company from requiring the owner of the shares to contribute towards the reduced land tax remaining to be paid by the company (Schedule 1 (5));
- (d) to enable an allowance based on certain expenditure to be taken into account in certain cases in determining the value of land for land tax purposes (Schedule 2—proposed section 54A);
- (e) to limit the allowance referred to in paragraph (d) to the cases where the taxpayer being assessed is also the person who incurred the relevant expenditure (Schedule 2—proposed section 54B); and
- (f) to make other provisions of an ancillary nature.



LAND TAX MANAGEMENT (AMENDMENT) BILL, 1984

No. , 1984.

A BILL FOR

An Act to amend the Land Tax Management Act, 1956, with respect to land values and in certain other respects.

See also Land Tax (Amendment) Bill, 1984; Strata Titles (Land Tax) Amendment Bill, 1984; Landlord and Tenant (Land Tax) Amendment Bill, 1984.

Land Tax Management (Amendment) 1984

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

5 Short title.

1. This Act may be cited as the "Land Tax Management (Amendment) Act, 1984".

Commencement.

2. (1) Sections 1 and 2 shall commence on the date of assent to this
10 Act.

(2) Except as provided by subsection (1), this Act shall commence on 31st December, 1984.

Principal Act.

3. The Land Tax Management Act, 1956, is referred to in this Act as
15 the Principal Act.

Schedules.

4. This Act contains the following Schedules:—

SCHEDULE 1.—AMENDMENTS TO THE PRINCIPAL ACT.

20 SCHEDULE 2.—AMENDMENT TO THE PRINCIPAL ACT RELATING TO
DEDUCTIBLE ALLOWANCES.

Amendment of Act No. 26, 1956.

5. The Principal Act is amended in the manner set forth in Schedules 1 and 2.

Land Tax Management (Amendment) 1984

SCHEDULE 1.

(Sec. 5.)

AMENDMENTS TO THE PRINCIPAL ACT.

(1) (a) Section 9 (2A)—

5 Omit the subsection.

(b) Section 9 (3)—

Omit the subsection, insert instead:—

10 (3) For the purposes of subsection (2), where land owned by a person is used, either wholly or in part, by the person, either alone or jointly (whether as partners or otherwise) with other persons, for the purpose of maintaining a registered flock of stud sheep, the deduction prescribed by this subsection is a deduction of an amount calculated at the rate of \$18 for each stud ewe owned by the person.

15 (2) Section 26 (1)—

After “not” where firstly occurring, insert “, and an instrument that embodies all or any of the terms of the agreement, or a conveyance that gives effect to the agreement, has been duly stamped under the Stamp Duties Act, 1920, in respect of the sale”.

20 (3) Section 27 (2)—

Omit the subsection, insert instead:—

25 (2) Joint owners (except those of them whose interests are exempt from taxation under section 10) shall be jointly assessed and liable in respect of the land (exclusive of the interest of any joint owner so exempt) as if it were owned by one person, without regard to their respective interests therein and without taking into account any land owned by any one of them in severalty or as joint owner with any other person.

Land Tax Management (Amendment) 1984

SCHEDULE 1—*continued.*

AMENDMENTS TO THE PRINCIPAL ACT—*continued.*

(4) Section 54 (10)—

After section 54 (9), insert:—

- 5 (10) Notwithstanding any other provision of this section—
- (a) where land had a land value in relation to the year that commenced on 1st January, 1984, the land value of the land in relation to the year commencing on 1st January, 1985, is the same as the land value of the land in relation to the year that commenced on 1st January, 1984; and
- 10 (b) in relation to land in respect of which—
- (i) land tax was not levied for the year that commenced on 1st January, 1984;
- (ii) if land tax had been so levied, subsection (1) (d) or
- 15 (1A) would have been applicable; and
- (iii) land tax is levied for the year commencing on 1st January, 1985,
- subsubsection (1) (d) or (1A), as the case may require, applies in relation to the year commencing on 1st January, 1985, as if the land tax levied for that year were being
- 20 levied for the year that commenced on 1st January, 1984.

(5) Section 63A—

After section 63, insert:—

Powers of company in relation to residential unit.

- 25 63A. (1) Where, in relation to a parcel of land owned by a company, the land tax that would otherwise be payable is reduced by reason that a building erected on the parcel includes a residential unit occupied by an owner of shares in the company, any requirement by the company that the owner of the shares contribute, directly or indirectly, towards the amount required for payment of that
- 30 land tax, as so reduced, is void.

*Land Tax Management (Amendment) 1984*SCHEDULE 1—*continued.*AMENDMENTS TO THE PRINCIPAL ACT—*continued.*

- 5 (2) Subsection (1) has effect in relation to a company notwithstanding anything in the memorandum or articles of association of the company.

SCHEDULE 2.

(Sec. 5.)

AMENDMENT TO THE PRINCIPAL ACT RELATING TO DEDUCTIBLE ALLOWANCES.

- 10 Sections 54A, 54B—

After section 54, insert:—

Allowance for profitable expenditure.

- 54A. (1) This section has effect notwithstanding anything in section 54.
- 15 (2) Where profitable expenditure of the kind referred to in section 58 or 58A of the Valuation of Land Act, 1916, is incurred in relation to land but is not noted as so referred to, the undetermined allowance for the purposes of subsection (3) is the allowance referred to in section 58 or 58A of the Valuation of Land Act, 1916, that
- 20 would have been calculated for the land if the land value of the land had been ascertained, as so referred to, at the time of the profitable expenditure.
- (3) Where it is necessary to determine, in accordance with section 54 and in relation to a year for which land tax is being levied,
- 25 the land value of land for which there was, immediately before the first day of that year, an undetermined allowance, the land shall—
- (a) except in the case of land to which section 54 (1A) applies—
be deemed, for the purposes of section 54 (1) (d), to have had no land value immediately before that day; or

*Land Tax Management (Amendment) 1984*SCHEDULE 2—*continued.*AMENDMENT TO THE PRINCIPAL ACT RELATING TO DEDUCTIBLE
ALLOWANCES—*continued.*

5 (b) in the case of land to which section 54 (1A) applies—be
deemed, for the purposes of section 54 (1A) to have been
varied as referred to in section 54 (1A) (c) (ii),

and a request under section 54 (1) (d) or 54 (1A) (c), as the case
may be, may include a request for a determination of the amount
of the undetermined allowance for the land.

10 (4) Subject to section 54B, an amount determined under subsec-
tion (3) is a deductible allowance under section 54 (1D) for the land
in relation to which it is determined.

**No deductible allowance except for owner at time of profitable
expenditure.**

15 54B. (1) Where, as a result of profitable expenditure, a deductible
allowance referred to in section 54 (1D) or 54A (4) would, but for
this section, be taken into account when determining the land value
of a parcel of land for the purpose of assessing the land tax payable
20 on the taxable value of all the land owned by a person, the deductible
allowance shall not be so taken into account if the person was not the
owner of the parcel at the time the profitable expenditure was incurred.

(2) Subsection (1) has effect notwithstanding sections 58
(4) and 58A (4) of the Valuation of Land Act, 1916.

**LAND TAX MANAGEMENT (AMENDMENT) ACT, 1984, No.
129**

New South Wales



ANNO TRICESIMO TERTIO

ELIZABETHÆ II REGINÆ

Act No. 129, 1984.

An Act to amend the Land Tax Management Act, 1956, with respect to land values and in certain other respects. [Assented to, 4th December, 1984.]

See also Land Tax (Amendment) Act, 1984; Strata Titles (Land Tax) Amendment Act, 1984; Landlord and Tenant (Land Tax) Amendment Act, 1984.

Land Tax Management (Amendment) 1984

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

Short title.

1. This Act may be cited as the "Land Tax Management (Amendment) Act, 1984".

Commencement.

2. (1) Sections 1 and 2 shall commence on the date of assent to this Act.

(2) Except as provided by subsection (1), this Act shall commence on 31st December, 1984.

Principal Act.

3. The Land Tax Management Act, 1956, is referred to in this Act as the Principal Act.

Schedules.

4. This Act contains the following Schedules:—

SCHEDULE 1.—AMENDMENTS TO THE PRINCIPAL ACT.

SCHEDULE 2.—AMENDMENT TO THE PRINCIPAL ACT RELATING TO DEDUCTIBLE ALLOWANCES.

Amendment of Act No. 26, 1956.

5. The Principal Act is amended in the manner set forth in Schedules 1 and 2.

SCHEDULE 1.

(Sec. 5.)

AMENDMENTS TO THE PRINCIPAL ACT.

(1) (a) Section 9 (2A)—

Omit the subsection.

(b) Section 9 (3)—

Omit the subsection, insert instead:—

(3) For the purposes of subsection (2), where land owned by a person is used, either wholly or in part, by the person, either alone or jointly (whether as partners or otherwise) with other persons, for the purpose of maintaining a registered flock of stud sheep, the deduction prescribed by this subsection is a deduction of an amount calculated at the rate of \$18 for each stud ewe owned by the person.

(2) Section 26 (1)—

After "not" where firstly occurring, insert " and an instrument that embodies all or any of the terms of the agreement, or a conveyance that gives effect to the agreement, has been duly stamped under the Stamp Duties Act, 1920, in respect of the sale".

(3) Section 27 (2)—

Omit the subsection, insert instead:—

(2) Joint owners (except those of them whose interests are exempt from taxation under section 10) shall be jointly assessed and liable in respect of the land (exclusive of the interest of any joint owner so exempt) as if it were owned by one person, without regard to their respective interests therein and without taking into account any land owned by any one of them in severalty or as joint owner with any other person.

Land Tax Management (Amendment) 1984

SCHEDULE 1—*continued.*

AMENDMENTS TO THE PRINCIPAL ACT—*continued.*

(4) Section 54 (10)—

After section 54 (9), insert:—

(10) Notwithstanding any other provision of this section—

(a) where land had a land value in relation to the year that commenced on 1st January, 1984, the land value of the land in relation to the year commencing on 1st January, 1985, is the same as the land value of the land in relation to the year that commenced on 1st January, 1984; and

(b) in relation to land in respect of which—

(i) land tax was not levied for the year that commenced on 1st January, 1984;

(ii) if land tax had been so levied, subsection (1) (d) or (1A) would have been applicable; and

(iii) land tax is levied for the year commencing on 1st January, 1985,

subsection (1) (d) or (1A), as the case may require, applies in relation to the year commencing on 1st January, 1985, as if the land tax levied for that year were being levied for the year that commenced on 1st January, 1984.

(5) Section 63A—

After section 63, insert:—

Powers of company in relation to residential unit.

63A. (1) Where, in relation to a parcel of land owned by a company, the land tax that would otherwise be payable is reduced by reason that a building erected on the parcel includes a residential unit occupied by an owner of shares in the company, any requirement by the company that the owner of the shares contribute, directly or indirectly, towards the amount required for payment of that land tax, as so reduced, is void.

Land Tax Management (Amendment) 1984

SCHEDULE 1—*continued.*

AMENDMENTS TO THE PRINCIPAL ACT—*continued.*

(2) Subsection (1) has effect in relation to a company notwithstanding anything in the memorandum or articles of association of the company.

SCHEDULE 2.

(Sec. 5.)

AMENDMENT TO THE PRINCIPAL ACT RELATING TO DEDUCTIBLE ALLOWANCES.

Sections 54A, 54B—

After section 54, insert:—

Allowance for profitable expenditure.

54A. (1) This section has effect notwithstanding anything in section 54.

(2) Where profitable expenditure of the kind referred to in section 58 or 58A of the Valuation of Land Act, 1916, is incurred in relation to land but is not noted as so referred to, the undetermined allowance for the purposes of subsection (3) is the allowance referred to in section 58 or 58A of the Valuation of Land Act, 1916, that would have been calculated for the land if the land value of the land had been ascertained, as so referred to, at the time of the profitable expenditure.

(3) Where it is necessary to determine, in accordance with section 54 and in relation to a year for which land tax is being levied, the land value of land for which there was, immediately before the first day of that year, an undetermined allowance, the land shall—

- (a) except in the case of land to which section 54 (1A) applies—
be deemed, for the purposes of section 54 (1) (d), to have had no land value immediately before that day; or

*Land Tax Management (Amendment) 1984*SCHEDULE 2—*continued.*AMENDMENT TO THE PRINCIPAL ACT RELATING TO DEDUCTIBLE ALLOWANCES—*continued.*

(b) in the case of land to which section 54 (1A) applies—be deemed, for the purposes of section 54 (1A) to have been varied as referred to in section 54 (1A) (c) (ii),

and a request under section 54 (1) (d) or 54 (1A) (c), as the case may be, may include a request for a determination of the amount of the undetermined allowance for the land.

(4) Subject to section 54B, an amount determined under subsection (3) is a deductible allowance under section 54 (1D) for the land in relation to which it is determined.

No deductible allowance except for owner at time of profitable expenditure.

54B. (1) Where, as a result of profitable expenditure, a deductible allowance referred to in section 54 (1D) or 54A (4) would, but for this section, be taken into account when determining the land value of a parcel of land for the purpose of assessing the land tax payable on the taxable value of all the land owned by a person, the deductible allowance shall not be so taken into account if the person was not the owner of the parcel at the time the profitable expenditure was incurred.

(2) Subsection (1) has effect notwithstanding sections 58 (4) and 58A (4) of the Valuation of Land Act, 1916.

In the name and on behalf of Her Majesty I assent to this Act.

J. A. ROWLAND,
Governor.

*Government House,
Sydney, 4th December, 1984.*



