



Office of State Revenue
NSW TREASURY

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Revenue Ruling No. LT 84

Exemption - Land Used and Occupied Primarily for Low Cost Accommodation – 2009 Tax Year

Section 10Q Land Tax Management Act 1956

Ruling history

Ruling no.	Issued date	Dates of effect		Status
		From	To	
LT 84	27 January 2009	1 January 2009	31 December 2009	Current

Preamble

1. Where land situated within certain boundaries is used and occupied primarily for low-cost accommodation (other than as a boarding house) an exemption from land tax is available if guidelines approved by the Treasurer are met. Where only part of the land or premises are used to provide the accommodation, an exemption is not available but the owner is entitled to claim a reduction in the land value of the land.
2. The purpose of this ruling is to outline the approved guidelines applying to the 2009 tax year, to explain the conditions that entitle the owner to claim an exemption or a reduction in the land value and to provide a declaration to be completed by owners who claim the concession. An explanation of the guidelines approved by the Treasurer for the 2009 tax year for boarding-houses is contained in Land Tax Revenue Ruling [LT 83](#).

Guidelines Approved by the Treasurer

3. The guidelines under which land used to provide low cost accommodation is exempt from land tax for the 2009 tax year are as follows:
 - (i) Owners of land who provide low cost accommodation (that accommodation not being licensed premises or a boarding-house) will be entitled to claim exemption from land tax or a reduction in the land value of the land if the land is situated within a 5 kilometre radius of the Sydney GPO, Martin Place, Sydney where:
 - (a) each tenancy was subject to a Residential Tenancy Agreement under the Residential Tenancies Act 1987; and
 - (b) the maximum weekly tariff¹ paid in terms of a Residential Tenancy Agreement during the 6 months ended 31 December 2008 was no more than:
 - (A) \$197 for one bedroom accommodation; or
 - (B) \$263 for two bedroom accommodation; or
 - (C) \$329 for three or more bedroom accommodation; and
 - (c) a tenant used and occupied the premises or part of the premises for residential purposes and no other purpose for the 6 months immediately preceding 31 December 2008; and

¹ Tariff rates do not include GST

- (d) the owner gives an undertaking to pass on a benefit to the tenant(s) broadly equivalent to the value to the owner of the land tax exemption. The benefit may be passed on in one or more of the following forms:
- (A) reducing the tariff; or
 - (B) foregoing an increase in tariff that would otherwise have occurred under the terms of the Agreement; or
 - (C) carrying out improvements or renovations to the premises which are not required to be made under the terms of the Agreement e.g. by complying with Council regulations, fire safety regulations etc.
- (ii) An exemption or a reduction in the land value is not applicable where the use and occupation of the land was by any member of the family of the owner or where the land is owned by a company, by a member of the family of a director or a shareholder of that company;
- (iii) The concession applies if the Chief Commissioner of State Revenue is satisfied that circumstances preventing the premises being used and occupied by a tenant for the whole of the 6 months prior to the taxing date, were beyond the owner's control; and
- (iv) For the purposes of paragraph (ii) above, a member of the family of the owner or a member of the family of a director or a shareholder means a person who could in any circumstances possibly be entitled in terms of the Probate and Administration Act 1898 to an inheritance should the owner, director or shareholder die intestate.

Ruling

4. If only part of the land or premises were used for low cost accommodation, a pro rata reduction in the land value of the land will be calculated by the Chief Commissioner if the Chief Commissioner is not satisfied that the reduction claimed is fair and reasonable. Otherwise, the calculation will be made on a floor area basis.
5. Owners must apply for exemption by completing [the standard declaration](#) which should be lodged as soon as possible but within 30 days of the serving of a notice of assessment if the assessment contains the land. The declaration may be posted to the Chief Commissioner at the following address:

Office Of State Revenue
Client Services Division

GPO Box 4042
Sydney NSW 2001

or alternatively may be lodged at any branch of the Office of State Revenue from where additional copies of the declaration are available.

Records of owners who claim concessions are regularly audited by the Office of State Revenue. Documentary evidence supporting the information in the declaration must be retained and produced for inspection, if requested.

Tony Newbury
Chief Commissioner of State Revenue
27 January 2009