



Land Tax Crown or Council Leases

Land tax is a tax on the ownership of land in NSW. The amount of land tax payable depends on the combined value of any taxable land you own or have an interest in.

There are a number of exemptions available from land tax. For more information on these see the OSR website: www.osr.nsw.gov.au.

What is a Crown or council lease?

If you lease land from the Crown or council, you may be liable for land tax.

This applies to land owned by:

- the Crown (that is, the NSW State Government)
- local councils or county councils
- NSW statutory and public authorities

Is my Crown or council lease liable for land tax?

Under certain circumstances, lessees of Crown or council land may be deemed to be the 'owner' of the leased land and liable to land tax under section 21C (2) of the *Land Tax Management Act 1956*.

Leases are not liable for land tax where:

- the term of the lease is less than 12 months, including any period under an option
- the lessee is the Crown, a local or county council or a public authority
- a lease of land for which the Crown is liable for land tax
- the lease was entered into before 1 January 1987 and the terms of the lease relating to rental payable remain unchanged (for land leased from the Crown only)
- the lease was entered into before 1 January 1991 and the terms of the lease relating to rental payable remain unchanged (for land leased from local and county councils and NSW public authorities only).

What should you do?

If you lease property from either the Crown or council and you think you may be liable for land tax, you need to lodge a registration form. You can:

- complete your registration form online at OSR's website: www.osr.nsw.gov.au
or
- contact OSR on 1300 139 816



MORE INFORMATION



www.osr.nsw.gov.au



1300 139 816*



1300 363 806



GPO Box 4269
Sydney NSW 2001
DX 456 Sydney



Phone enquiries
8.30 am – 5.00 pm, Mon. to Fri.

Counter services
8.30 am – 4.30 pm, Mon. to Fri.

*Interstate clients please call (02) 9689 6200.
Help in community languages is available.

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How is land tax calculated?

For the 2009 land tax year, land tax is calculated on the combined value of all the taxable land you own at midnight on 31 December 2008. The land tax threshold is \$368 000. This means your land tax assessment is calculated on the combined value of all the taxable land you own above this threshold. The amount of tax is \$100 plus 1.6 per cent in excess of the threshold up to the premium rate threshold (\$2 250 000) and 2 per cent thereafter. Land values are calculated using annual valuations for land tax made by the Valuer General as at 1 July preceding each land tax year.

Where there is a single lessee occupying a property, the land value is determined by the Valuer General.

Where there are multiple lessees occupying a property, the land value of the area you lease may be calculated in accordance with the following formula:

$$\text{Land value of the area you lease} = \text{Land value of entire property} \times \frac{\text{Rental value of the area you lease}}{\text{Rental value of the entire property}}$$

Where it is difficult and impractical to determine the land values through the prescribed methods, the Chief Commissioner of State Revenue can request the Valuer General to determine the land value of the area you lease.

Interest and penalties

Lodging your registration form after the due date or not lodging a form at all is considered a tax default and interest may be charged.

Under the *Taxation Administration Act 1996*, we may impose penalties for providing misleading and/or false information, or for deliberately avoiding our requests for information.