



Land Tax 2009 Related Companies

Section 29 of the *Land Tax Management Act* provides for the assessment of two or more commonly owned or controlled companies under the related companies (grouping) provisions. The effect of grouping related companies is to allow the 'tax free' threshold to be applied only once to the group of companies.

The overall effect of these provisions is that the total tax payable by companies in a group is equal to the tax that would be payable if a single company owned all of the land that is owned by the related companies in the group.

Due to the introduction of a premium threshold and tax rate from the 2009 tax year, the following guidelines apply to the assessment of related companies.

Total taxable value	Land tax payable
\$0 – \$ 368 000	= Nil
\$368 000 – \$2 250 000	= \$100 + 1.6c for every dollar of average land value above \$368 000
Above \$2 250 000	= \$30 212 + 2.0c for every dollar of average land value above \$2 250 000

Concessional company

A concessional company may be nominated by the client or selected by OSR, provided that that company's land value exceeds the premium rate threshold. A concessional company may also be nominated or selected if the land value of the entire group is less than the premium rate threshold.

Joint concessional companies

Joint concessional companies may be selected where no single company exceeds the premium rate threshold or the general rate threshold.

Where two or more companies are jointly assessed, those companies are deemed to be a single company for the purposes of the assessment, and a notice of assessment will be issued to the head joint concessional company, listing all land that company owns together with the aggregate values of all other companies subject to the joint concessional company assessment. The other joint concessional companies will receive an assessment listing their land holdings, however, no land tax will be payable on these assessments.



MORE INFORMATION



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Help in community languages is available.

Non-concessional companies

Where the concessional or joint concessional companies land values exceed the premium rate threshold, the land value of each non-concessional company is assessed at 2.0 cents for each dollar of land value.

Where the concessional or joint concessional companies land value does not exceed the premium threshold but exceeds the general tax threshold, the land value of each non concessional company is assessed at 1.6 cents for each dollar of land value.

General threshold

Where land values of the whole group of related companies does not exceed the premium rate threshold, the concessional company or joint concessional companies must exceed the general tax threshold (\$368 000 for 2009 tax year).

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