



Office of State Revenue
NSW TREASURY

ABN: 77 456 270 638

Revenue Ruling No. LT15

Heritage Valuations - Division 6 of the Heritage Act

PREAMBLE

Under the Heritage Act 1977, the Minister responsible for administration of the Act may make interim conservation orders and permanent conservation orders in relation to land on which is situated "... buildings, works, relics or places of historical, scientific, cultural, social, archaeological, architectural, natural or aesthetic significance for the State".

In view of the effect that a permanent conservation order may have on the value of land, certain rating and tax concessions apply to land which is subject to such an order.

These concessions are:-

- (a) provision for a "heritage valuation" to be used for rating and taxing purposes, including land tax purposes, which takes into account the effect of an order on the value of the land; and
- (b) assessment of each parcel of such land as if it were the only land owned by that person.

The purpose of this ruling is to explain the concessions and the steps which must be taken to obtain the benefits of those concessions.

RULING

1. Section 124 of the Heritage Act requires the responsible Minister to request the Valuer-General to make a "heritage valuation" in respect of land, as soon as practicable after the date on which a permanent conservation order takes effect. Under section 45, an order takes effect on and from the date of publication in the N.S.W. Government Gazette.
2. The Valuer-General is also required, under section 125, to make a "heritage valuation" on each occasion that land which is subject to an order is valued (or revalued) for land tax purposes.
3. A "heritage valuation" is defined at section 123 to mean a valuation based on the assumption that:-
 - (a) that land may only be used for the purpose, if any, for which it was used on the "relevant date" (ie the date on which the Minister requested the valuation under section 124(1), or the date on which the valuation was made if it was made under section 125);

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- (b) all improvements on that land as at the "relevant date" may be continued and maintained in order that the use of that land may be continued; and
 - (c) no improvements, other than those referred to in paragraph (b), may be made to on that land.
4. A "heritage valuation" would normally be expected to be lower than the land value for land tax purposes, but this is not necessarily so in all cases.
 5. The Heritage Council is responsible for making recommendations to the Minister. It may initiate inquiries and make recommendations or it may be required by the Minister to furnish a recommendation relating to a particular item. The Minister must seek the advice of the Council before making an order.
 6. A land owner who wishes to obtain relief from land tax under a permanent conservation order may apply to the Minister for the making of an order under section 38, and the Minister may refer such a request to the Heritage Council for a recommendation.
 7. There is no provision for the determination of a "heritage valuation" for land which is subject only to an interim conservation order, or to an order issued by the Minister under section 130 preventing the demolition of building or works pending a further inquiry by the Heritage Council. However, where an interim conservation order existed immediately before the date on which a permanent conservation order took effect, a "heritage valuation" may be retrospectively applied from the date on which the interim order took effect, under section 127(2). In such cases, land tax shall be reassessed on the basis of the "heritage valuation", and any amount paid in excess of the amount of the reassessment shall be refunded, while any amount short-paid shall be recoverable as arrears.
 8. Land which is subject to a permanent conservation order shall be assessed for land tax purposes on the "heritage valuation" as if each such parcel of land were the only land owned by the owner. For example, "A" owns the following three parcels of land, of which parcel 1 is subject to a permanent conservation order:

Adjusted Value

Parcel 1	\$145,000
Parcel 2	\$100,000
Parcel 3	\$150,000

Land tax would be assessed as follows (using the tax scale applicable for the 1988 tax year):-

Parcel 1

$$\$100 + 2\% \times (\$145,000 - \$125,000) = \$ 500$$

Parcel 2 & 3

$$\$100 + 2\% \times (\$250,000 - \$125,000) = \$2,600$$

Total tax payable $\$500 + \$2,600 = \$3,100$

9. Under section 127(3), where land ceases to be subject to a permanent conservation order, the concessions available under the Heritage Act cease to apply from the date of cessation of the order.

R. P. DALEY,
for Chief Commissioner.
10 June, 1988