



Office of State Revenue
NSW TREASURY

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Revenue Ruling No. LT 23

Exemption from Land Tax for Boarding Houses Providing Accommodation for Low Income Earners

Ruling history

Ruling no.	Issued date	Dates of effect		Status
		From	To	
LT 23	14 February 1990	01 January 1990	31 December 1990	Initial Ruling - relates to the 1990 land tax year These rulings are issued annually.

Preamble

- 1 The Land Tax Management Act was amended in 1989 to provide for an exemption from land tax for boarding houses providing accommodation for low income earners. This exemption applies:
 - (a) to boarding houses (including rooming houses serviced rooms and flatettes and furnished or unfurnished rooms with or without resident managers) but not to premises where a hotelier's licence under the Liquor Act 1982 is in force;
 - (b) only if the land is within the Counties of Cumberland, Illawarra and Northumberland. These Counties represent the Sydney, Wollongong and Newcastle metropolitan areas respectively;
 - (c) for the tax year commencing 1 January 1990 and succeeding tax years;
 - (d) if the boarding house complies with the guidelines approved by the Treasurer.
- 2 The exemption must be applied for **each year** and supporting evidence furnished, otherwise land tax will be automatically levied.
- 3 The purpose of this ruling is to notify the guidelines which have been approved by the Treasurer and to explain how to apply for the exemption.

Ruling

- 4 In order to qualify for the exemption, boarding houses must satisfy the following conditions:
 - (i) The land must have been used and occupied primarily as a boarding house for the 3 months immediately preceding the commencement of the tax year (ie 1 January) and intended to be so used for the whole of the tax year;
 - (ii) At least 80 per cent of the room days should be occupied by tenants for long term accommodation. "Long term accommodation" is to be defined as a room being occupied by the same person for 3 consecutive months or for any periods totalling four months during the year.
 - (iii) For at least 80 per cent of the rooms available in the boarding house, the maximum tariff must be no more than the following:
 - (a) for full board and lodgings
 - 75 per cent of the single aged pension for single accommodation; or

- 75 per cent of the married aged pension for family or shared accommodation.
- (b) in any other case -
- 50 per cent of the single aged pension for single accommodation; or
 - 50 per cent of the married aged pension for family or shared accommodation.
- (iv) Accurate records of the length of stay of tenants and tariffs paid, have to be kept and be available for inspection if required.
- (v) If the boarding house fails to strictly meet the guidelines, the Chief Commissioner will have the discretion to approve an application for exemption if satisfied that the boarding house substantially complies with the guidelines.
- 5 Applications for exemption are to be made by 31 January of the relevant tax year (or a later date if the Chief Commissioner's approval to an extension of time is obtained). For the 1990 tax year, the date for lodgement has been extended until 31 March 1990 for all applications. Extensions of time need not be sought provided that applications are lodged by 31 March.
- 6 Application forms are available from the Office of State Revenue and completed applications should be forwarded to the Chief Commissioner. A copy of the approved application, which is in the form of a statutory declaration, is attached to this ruling. The declaration provides for the claimant to declare that the legislative requirements and the approved guidelines have been met and that they are able to produce records to prove that these requirements have been met.
- 7 Applications may be lodged at any office of the Office of State Revenue or may be posted to:

Office of State Revenue
Revenue Advisory Services
PO Bag 5215
PARRAMATTA NSW 2124

B Buchanan,
for Chief Commissioner.
14 February, 1990

**APPLICATION FOR EXEMPTION FROM LAND TAX FOR BOARDING
HOUSE PROVIDING ACCOMMODATION FOR LOW INCOME
EARNERS
STATUTORY DECLARATION**

I,

of

Client Number apply for exemption from
land tax under the provisions of the Land Tax Management Act 1956 payable
on the parcel of land at

contained in Volume Folio No and do hereby solemnly and
sincerely declare:

- *1. that the land was used and occupied primarily as a boarding house for
a period of three months immediately preceding the commencement of
the 19..... tax year;
- *2. that during that period, 80 per cent or more of the total room days
have been occupied by the same tenants for:
 - (a) a period of 3 consecutive months; or
 - (b) any periods totalling 4 months during the year.
- *3. that for at least 80 per cent of the rooms available in the boarding
house, during that period, the maximum tariff is no more than:
 - (a) *for full board and lodgings -
 - (i) 75 per cent of the single aged pension for single
accommodation; or
 - (ii) 75 per cent of the married aged pension for family or
shared accommodation.
 - (b) *in any other case
 - (i) 50 per cent of the single aged pension for single
accommodation; or
 - (ii) 50 per cent of the married aged pension for family or
shared accommodation.
- *4. that records showing the length of stay of tenants and tariffs paid
by tenants have been kept.
- *5. that for the following reasons the guidelines at paragraphs *1, 2, 3,
4, could not be met:
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(N.B. if there is insufficient space above to fully outline reasons for not meeting guidelines, a submission may be appended to the statutory declaration.)

*I/we make this solemn declaration, conscientiously believing the same to be true, and by virtue of the provisions of the Oaths Act 1990.

.....
(DECLARANT(S) SIGNATURE)

Made and Signed before me this day of 19

.....
JUSTICE OF THE PEACE
*(Strike out whichever is not applicable)