



Office of State Revenue  
NSW TREASURY

ABN: 77 456 270 638

## Revenue Ruling No. LT6

### Land Owned by the Crown - Liability to Land Tax

#### PREAMBLE

1. The Land Tax Management Act 1986 (the Act) was amended by the Land Tax Management (Further Amendment) Act 1985 and the Land Tax Management (Further Amendment) Act 1986 to impose a liability on certain land owned by the Crown.
2. The definition of "owner" in section 3(1) of the Act was amended to include a person occupying land owned by the Crown pursuant to a lease or Licence.

Paragraph (b) of the definition of "Owner" provides that in relation to any land owned by the Crown, "Owner" includes, a person occupying any such land pursuant to a lease or licence, other than -

- (i) a lease to which section 21 applies; or
  - (ii) a lease or licence, or a lease or licence of a class or description of leases or licences, prescribed for the purposes of this subparagraph.
3. Whereas the amendments made to the Act in relation to land occupied under a lease or licence from the Crown were originally to take effect from the 1986 tax year, the Land Tax Management (Further Amendment) Act 1986 provides that these amendments -
    - (a) do not apply in respect of the year commencing on 1 January 1986;
    - (b) if, on or after 1 January 1986 and before 1 January 1988, the rent or licence fee is, or could be, reviewed or the lease or licence could be determined - apply in respect of each year that succeeds the year in which the rent or licence fee is, or could be, so reviewed or the lease or licence could be so determined; and
    - (c) apply in respect of the year commencing on 1 January 1989 and each succeeding year.

#### RULING

##### Liability of the Crown

4. Subject to sections 10B, 10C, 10D and 10E of the Act, land owned by
  - (a) the Crown, other than land occupied under a tenure referred to in paragraph (b) of the definition of "Owner" in section 3(1) of the Act; and

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- (b) a public authority as defined in section 3(1) of the Act, is exempt from taxation under section 10(1)(a) of the Act (see also paragraph 5).
5. Sections 10B, 10C, 10D and 10E of the Act provide that nothing in the Act operates to exempt from taxation under the Act Land owned by certain authorities and statutory corporations, except to the limited extent specified in those sections.
6. Tax payable in respect of land owned by the authorities and statutory corporations specified in sections 10B, 10C, 10D and 10E of the Act is calculated in accordance with the provisions of section 5 of the Land Tax Act, 1956.

### **Liability of Lessees**

7. The definition of "Owner" in paragraph (b) of section 3(1) of the Act, in relation to land owned by the Crown, includes a person occupying such land pursuant to a lease or licence other than a lease from the Crown in perpetuity or a lease prescribed for the purposes of paragraph (b) of the definition of "Owner" (see also paragraphs 9 and 10).
8. Section 21 of the Act provides that any person who holds land under a lease from the Crown in perpetuity shall be deemed to be the owner of the land in fee-simple.
9. No lease or licence has been prescribed for the purposes of paragraph (b) of the definition of "owner".
10. Where a person occupying land owned by the Crown pursuant to a lease or licence is liable to taxation under the Act, tax is payable upon the taxable value of all the land owned by the person including land held under a lease or licence from the Crown that is not otherwise exempt from taxation under the Act.

### **Exemption of Land leased from the Crown**

11. If a person occupying land owned by the Crown pursuant to a lease or licence is a person in whose ownership land would be exempted from taxation under any of the provisions of section 10 of the Act, such land will be exempt from land tax provided the relevant exemption requirements of that section are satisfied.

A. D. CLYNE,  
Chief Commissioner of Land Tax.  
13th November 1988