

THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

RATES AND LAND TAX (AMENDMENT) BILL 1992

EXPLANATORY MEMORANDUM

**Circulated by the Authority
of the Chief Minister and Treasurer**

Rosemary Follett, MLA

RATES AND LAND TAX (AMENDMENT) BILL 1992

Outline of Amendment

The Rates and Land Tax Act 1926 (the Act) provides for the imposition of municipal rates and land tax in the Australian Capital Territory.

This Bill amends the Act by changing the rating factors used to calculate general rates on all ACT land. The Bill also amends the Act to apply full rates and land tax to rural leases within the City Area.

Financial Implications

Revenue from rates is expected to amount to \$74.7 million in 1992/93 compared with an estimated \$70.8 million in the current year.

Details of the proposed Bill are attached.

DETAILS OF THE RATES AND LAND TAX (AMENDMENT) BILL 1992

Short title

Clause 1 - provides for the short title for this Act to be the Rates and Land Tax (Amendment) Act 1992.

Commencement

Clause 2 - provides that sections 1, 2 and 3 commence on the day on which this Act is notified in the Gazette and for the remaining provisions to commence on 1 July 1992.

Principal Act

Clause 3 - refers to the Principal Act being amended, being the Rates and Land Tax Act 1926.

Interpretation

Clause 4 - amends section 4 of the Principal Act by:

- (a) providing a definition for City Area made necessary by the repeal of the City Area Leases Act 1936 following the introduction of the Land (Planning and Environment) (Consequential Provisions) Act 1991;
- (b) omitting the existing definition for City Area; and
- (c) providing for the above amendments to take effect from 2 April 1992.

Substitution

Clause 5 - repeals section 13 of the Principal Act and substitutes a new section 13 with the following effect:

Imposition

New subsection 13(1) provides for a rate of 1.019% per annum to be applied from 1 July 1992 on the unimproved value of rateable land in the City Area.

Effectively this rate applies to all land within the City Area and includes land leased for rural purposes.

New subsection 13(2) provides for a new rate of 0.5095% per annum to be applied from 1 July 1992 on the unimproved value of rateable land outside the City Area.

This rate applies to ACT rural land outside the City Area.

Exempt land

Clause 6 - amends section 22B of the Principal Act to:

- (a) exempt from land tax leases outside the City Area used primarily for primary production. This amendment allows land tax to be applied to rural leases within the City Area; and
- (b) alter the definition of land leased for development purposes by omitting reference in the Principal Act to the repealed Leases Act 1918.