

2000

**THE LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**RATES AND LAND TAX AMENDMENT BILL 2000**

**SUPPLEMENTARY EXPLANATORY MEMORANDUM**

Amendment moved by Gary Humphries MLA

Treasurer

**Details of the amendment to the Rates and Land Tax Amendment Bill 2000,  
moved by the Treasurer, Gary Humphries MLA**

**Summary**

The *Rates and Land Tax Act 1926* (the Act) imposes general rates and land tax on property owners in the ACT. Land tax is assessed quarterly on all rateable non-residential properties and residential properties that are rented. The 3 year average unimproved value of the parcel of land, is used as the base for the calculation of land tax.

The Act imposes land tax on parcels of land that have more than one (1) residence (multiple dwelling), such as flats, dual occupancies and properties with a "granny flat" where one or more of the dwellings are rented to a tenant. At present, for land tax, the Commissioner has the discretion to apportion the 3 year average unimproved value on a fair and reasonable basis having regard to the floor area rented. In practice, the Commissioner uses a set formula to apportion the value.

The proposed Bill would replace the Commissioner's discretionary power with a statutory formula to apportion the value.

The Bill also defines dwellings to exclude garages, carports, garden sheds, verandahs, pergolas and patios or any other non-habitable structure from the calculation of land tax. It also excludes units registered under a Unit Title Plan which are covered under separate provisions in the Act.

This Bill gives the Commissioner the power to ask the owner for information about any dwelling on the parcel to assist in the apportioning of the 3 year average unimproved value in accordance with the statutory formula.

By replacing the Commissioner's discretion with a formula in the legislation for the calculation of land tax, the related objection and appeal rights are now redundant and are removed. However, taxpayers still retain the right to object to land tax assessments generally.

As land tax is levied quarterly, the commencement of the Bill should be from 1 July 2000 to coincide with the first quarter of the 2000-2001 financial year.

As a result of the quantity of business before the Legislative Assembly during the sittings in June, i.e. 27-29 June, this is now not possible without a retrospective commencement date to 1 July 2000. Due to the nature of the Bill, this amendment will give the measures contained in the Bill a commencement date of 1 July 2000.

**Amendment Notes**

**Clause 2, Page 1, line 7**

This amendment provides that the commencement date is, or is taken to be, 1 July 2000.

