

1996

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

RATES AND LAND TAX (AMENDMENT) BILL 1996

EXPLANATORY MEMORANDUM

Circulated by the authority of the Chief Minister and Treasurer

Kate Carnell MLA

Rates and Land Tax (Amendment) Bill 1996

Summary

The Rates and Land Tax Act 1926 (the Act) provides for the levying, imposition and payment of rates and land tax on land in the Territory

This Bill will amend the Act to provide for

- a) the 1994 unimproved values to be used in assessing 1996-97 and 1997-98 rates and land tax, and
- b) municipal rates for individual ratepayers for the 1996-97 financial year to only increase in line with the forecast CPI (3%),

The Bill also removes the obligation on the Commissioner for ACT Revenue to redetermine land values as at 1 January 1996 and 1 January 1997

Financial Implications

The revenue impact of these measures will produce an outcome consistent with that indicated in the forward estimates

Details of the Bill are attached

Details of the Rates and Land Tax (Amendment) Bill 1996

Title

Clause 1 - provides for the short title for this Act to be the Rates and Land Tax (Amendment) Act 1996

Commencement

Clause 2 - provides for this Act to commence on 1 July 1996

Principal Act

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

Unimproved values - 1995, 1996 & 1997

Clause 4 - amends section 11A of the Principal Act to provide that

- i) unimproved land values required to be determined on a special relevant date under the Principal Act (such dates being 1 January 1995, 1 January 1996 and 1 January 1997, as appropriate), can only be made in accordance with the provisions of section 11A,
- ii) where the unimproved value of a parcel of land is to be determined or redetermined under the Principal Act on 1 January 1995, 1 January 1996 and 1 January 1997, as appropriate, that value shall be the unimproved value of the parcel as at 1 January 1994,
- iii) where the unimproved value of a parcel of land has already been determined or redetermined as at the 1 January 1994 value, that value is to continue to apply to the parcel on 1 January 1995, 1 January 1996 and 1 January 1997, as appropriate. There is no right of objection or appeal against the maintenance of the 1994 values as property owners have already had the opportunity to exercise these rights,
- iv) in accordance with the Principal Act property owners are to be notified of their fixed unimproved value, and a record of the fixed unimproved values is to be kept in the ACT Revenue Office

Imposition

Clause 5 - amends section 13 of the Principal Act to omit the current rates and sets the level of the rates to be charged in 1996-97 at

- a) for land inside the City Area the rate is 1 0605% of the unimproved value, and
- b) for land outside the City Area (rural land) the rate is 0 5302% of the unimproved value