

Australian Capital Territory

# Taxation Administration (Amounts Payable – Home Buyer Concession Scheme) Determination 2005 (No 1)

Disallowable instrument DI2005—123

made under the

*Taxation Administration Act 1999*, s 139 Determination of amounts payable under tax laws

## EXPLANATORY STATEMENT

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The purpose of this instrument is to revoke Disallowable Instrument DI2004-263, and to determine the property value thresholds for an **eligible property** and the land value thresholds for an **eligible vacant block** for the purposes of the calculation of duty payable under the Home Buyer Concession Scheme.

Property value threshold amounts for the calculation of concessional duty for **eligible property** are as follows:

- The **lower threshold** is the highest sale price in the lowest 25% of all sale prices for residential properties for the two quarters between October 2004 and March 2005. I have determined this value to be **\$285,000**. This is a 0.88% increase from the threshold determined previously.
- The **upper threshold** is the highest sale price in the lowest 65% of all sale prices for residential properties for the two quarters between October 2004 and March 2005. I have determined this value to be **\$385,000**. This is a 0.26% decrease from the threshold determined previously.

The basis for calculation of thresholds for an **eligible vacant block** (land) has been amended. Sales data for land has proven to be heavily influenced by

compositional changes in the land available for purchase. It is likely to remain highly volatile over time and not be representative of market trends.

Land value threshold amounts for the calculation of concessional duty for an **eligible vacant block** are calculated using the same percentages as the movement in the corresponding **eligible property** (house and land) thresholds because they are far less volatile and better reflect underlying movements in the property market, particularly for new home owners. The value threshold amounts for the calculation of concessional duty for **eligible vacant blocks** is as follows:

- The **lower threshold** is a 0.88% increase from the threshold determined previously. I have determined this value to be **\$123,100**.
- The **upper threshold** is a 0.26% decrease from the threshold determined previously. I have determined this value to be **\$184,500**.

For eligible property and eligible vacant land at or below the lower threshold, the minimum duty of \$20 is payable. The amount of the concession reduces for eligible property and eligible vacant land up to the higher threshold where the concession is zero.

Under section 139 of the *Taxation Administration Act 1999* the Minister has authority to determine, in writing by disallowable instrument, amounts payable under the tax laws as specified in section 4 of the *Taxation Administration Act 1999*. The *Duties Act 1999* is such a tax law.

The thresholds in Disallowable Instrument DI2004-263 continue to apply to grants and transfers or agreements to transfer which occur between 1 January 2005 and 30 June 2005.

This determination takes effect on 1 July 2005.

Authorised by the Treasurer, Ted Quinlan MLA