

Australian Capital Territory

Taxation Administration (Amounts Payable – Home Buyer Concession Scheme) Determination 2007 (No 1)

Disallowable instrument DI2007—113

made under the

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

EXPLANATORY STATEMENT

Name of Instrument

1. This instrument is the *Taxation Administration (Amounts Payable—Home Buyer Concession Scheme) Determination 2007 (No 1)*.

Commencement

2. This instrument commences on 1 July 2007.

Determination of amounts

3. This instrument determines 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 section 31 of the *Duties Act 1999* by an eligible home buyer under the Home Buyer Concession Scheme commencing on 1 July 2007. The duty is payable to the Territory.
4. Under section 139 of the *Taxation Administration Act 1999* the Minister has authority to determine, in writing by disallowable instrument, amounts payable under tax laws. The *Duties Act 1999* is a tax law as specified in section 4 of the *Taxation Administration Act 1999*.
5. Property value threshold amounts for the calculation of concessional duty for eligible property are as follows:
 - a. The lower threshold is the highest sale price in the lowest 20% of all sale prices for residential properties for the two quarters between October 2006 and March 2007. I have determined this value to be \$290,000. In effect, the lower threshold is without any increase to when it was last determined on 1 January 2007.
 - b. The upper threshold represents the median of all sale prices for residential properties for the two quarters between October 2006 and March 2007. The criteria for determining the upper threshold has been changed from the

property value of the bottom 40% of all sales, to that of the median price value for the same two quarters. This variance accords with the Government's commitment to increasing the supply of affordable housing as outlined in the Affordable Housing Action Plan. I have determined this value to be \$365,000. This is an increase of 10.27% from the previous threshold of \$331,000.

6. The land value threshold amounts for the calculation of concessional duty for an eligible vacant block reflect the same percentage changes as calculated from sales data for eligible property. The thresholds are as follows:
 - a. The lower threshold has a nil increase to that of the previous threshold. I have determined this value to be \$161,300.
 - b. The upper threshold reflects a 10.27% increase from the previous threshold of \$182,700. I have determined this value to be \$201,500.
7. 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.
8. The eligibility criteria and method of calculation of the concession are determined in a separate Disallowable Instrument.

Revocation

9. This instrument revokes disallowable instrument DI2006-266.

Authorised by the Treasurer
Jon Stanhope MLA