

Taxation Administration (Rates) Determination 2012 (No 1)

Disallowable instrument DI2012–96

made under the

Taxation Administration Act 1999, s139 (Determination of amounts payable under tax laws)

EXPLANATORY STATEMENT

1. This Disallowable Instrument commences on 1 July 2012.
2. As part of the 2012-13 Budget, the Government announced that it would be reforming the Territory's taxation system. As part of this package, reform will be undertaken to the Rates system.
3. Under section 139 of the *Taxation Administration Act 1999*, the Minister has the authority to determine, in writing by disallowable instrument, amounts and rates applicable for the *Rates Act 2004*.
4. This instrument determines the variable rating factors for the purpose of the calculation of rates payable under the *Rates Act 2004*.
5. This instrument determines different amounts for the FC or fixed charge and the P or percentage rate. It also determines the TA or threshold amount for section 14 (3) of the *Rates Act 2004*.
6. This instrument determines the fixed charge for a parcel of commercial land, the fixed charge for a parcel of residential land, the threshold amount, the percentage rate for a parcel of commercial land, and the percentage rate for a parcel of residential land for section 34 (4) of the *Rates Act 2004*.
7. For section 14 (3) of the *Rates Act 2004*, the fixed charge (FC) is determined at:
 - \$555 for residential land;
 - \$1,213 for commercial land; and
 - \$126 for rural land.
8. For section 14 (3) of the *Rates Act 2004* it determines the different amounts for percentage rates. Table 1 provides the thresholds and rates for residential, commercial, and rural land.

9. Calculation of general rates for residential land is as follows:
- The owner of land which has an average unimproved land value of \$150,000 or less will be assessed at a rate of 0.2236%.
 - The owner of land which has an average unimproved land value of between \$150,001 and \$300,000 will be assessed at \$335.40 plus 0.3136% on the average unimproved value above \$150,000.
 - The owner of land which has an average unimproved land value of between \$300,001 and \$450,000 will be assessed at \$805.80 plus 0.3736% on the average unimproved value above \$300,000.
 - The owner of land which has an average unimproved land value greater than \$450,000 will be assessed at \$1,366.20 plus 0.4136% on the average unimproved value above \$450,000.
10. Calculation of general rates for commercial land is as follows:
- The owner of land which has an average unimproved land value of \$150,000 or less will be assessed at a rate of 1.9070%.
 - The owner of land which has an average unimproved land value of between \$150,001 and \$275,000 will be assessed at \$2,860.50 plus 2.2670% on the average unimproved value above \$150,000.
 - The owner of land which has an average unimproved land value greater than \$275,000 will be assessed at \$5,694.25 plus 2.6070% on the average unimproved value above \$275,000.
11. Rural land will be assessed at a rate of 0.1489%.
12. The ACT Government has abolished the previous threshold amount of \$16,500. The new amount for 2012-13 has been set at \$0.
13. This instrument revokes DI2011-63.

Authorised by Treasurer
Andrew Barr MLA