Australian Capital Territory

Rates (Deferral) Determination 2013 (No 1)

Disallowable instrument DI2013-82

made under the

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

EXPLANATORY STATEMENT

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1. This Disallowable Instrument commences on the day after its notification day.

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 has been undertaken to the general rates system.

3. Currently, pensioners and other eligible households are able to defer payment of their general rates. This instrument expands the eligibility criteria for general rates deferral to non-pensioners who meet income, land value and equity tests.

4. This expansion of the rates deferral scheme will support ageing in place by providing a choice to households with high value properties, but relatively modest incomes, to defer their rates as a charge against the property.

5. This instrument determines the income, asset and equity requirements that form the eligibility criteria for this expanded deferral scheme.

6. 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*.

7. This instrument determines, for section 46 (2) (f) (ii) of the *Rates Act 2004*, that the total gross income of the owner, or all the owners, of a parcel is not more than $80,770. This amount will be adjusted annually.

8. For section 46 (2) (f) (iii) of the *Rates Act 2004*, this instrument determines that the unimproved value of the property must be more than the 80th percentile value, currently $390,000. This amount will be reviewed annually.

9. Additionally, this instrument determines that the property owners must have at least 75 per cent equity in their home (section 46 (2) (f) (iv) of the *Rates Act 2004*).

Authorised by Treasurer
Andrew Barr MLA