

Taxation Administration (Rates) Determination 2013 (No 1)

Disallowable instrument DI2013-175

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 2013.
2. As part of the 2012-13 Budget, the Government announced that it would be reforming the Territory's taxation system. Reform to the general rates system will continue with the 2013-14 Budget.
3. General rates are levied on all residential property to provide funding for a wide range of essential services to the Canberra community, including municipal services, schools, roads and hospitals.
4. 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*.
5. This instrument determines the variable rating factors for the purpose of the calculation of rates payable under the *Rates Act 2004*.
6. 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*.
7. 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*.
8. For section 14 (3) of the *Rates Act 2004*, the fixed charge (FC) is determined at:
 - \$626 for residential land;
 - \$1,749 for commercial land; and
 - \$139 for rural land.

9. 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.
10. 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 0.2306%.
 - The owner of land which has an average unimproved land value of between \$150,001 and \$300,000 will be assessed at \$345.90 plus 0.3241% 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 \$832.05 plus 0.3876% 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 \$1,413.45 plus 0.4312% on the average unimproved value above \$450,000.
11. 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 2.2069%.
 - The owner of land which has an average unimproved land value of between \$150,001 and \$275,000 will be assessed at \$3,310.35 plus 2.6429% 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 \$6,613.98 plus 3.5369% on the average unimproved value above \$275,000.
12. Rural land will be assessed at a rate of 0.1524%.
13. The ACT Government has abolished the previous threshold amount of \$16,500.
14. This instrument revokes DI2012-96. DI2012-96 continues to apply to the period 1 July 2012 to 30 June 2013 inclusive.

Authorised by Treasurer
Andrew Barr MLA