

Rates (Deferral) Determination 2014 (No 1)

Disallowable instrument DI2014-183

made under the

***Rates Act 2004*, s46 (Determination for deferral of rates on application)**

EXPLANATORY STATEMENT

1. This Disallowable Instrument commences on 1 July 2014.
2. As part of the 2014-15 Budget, the Government will be continuing to implement measures that reform the Territory's taxation system. The general rates system was made progressive in the 2012-13 Budget. This reform is progressed further in 2014-15.
3. Pensioners and other eligible households are able to defer payment of their general rates. This instrument updates the eligibility criteria for general rates deferral to non-pensioners who meet income, land value and equity tests.
4. This rates deferral scheme supports 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 the rates deferral scheme.
6. Under section 46 of the *Rates Act 2004*, the Minister has authority to determine, in writing by disallowable instrument, the amounts and rates applicable for the deferral of rates for non-pensioners.
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 \$86,750. This amount has been increased from the previous amount of \$80,770, and is based on the ACT adult full time Average Weekly Earnings (Original) data for November 2013, as published by the Australian Bureau of Statistics.
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 \$407,000 (previously \$390,000). This amount is adjusted annually to ensure it is reflective of current market values.

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*). This remains unchanged from the previous determination.
10. This instrument revokes DI2013-82. However, DI2013-82 continues to apply for the period 4 June 2013 to 30 June 2014 inclusive.

Authorised by the Acting Treasurer
Katy Gallagher MLA