

# Taxation Administration (Rates) Determination 2014 (No 1)

## Disallowable instrument DI2014-185

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 1 July 2014.
2. As part of the 2014-15 Budget, the Government announced that it would continue to reform the Territory's taxation system. Further reform to the general rates system will continue with the 2014-15 Budget.
3. General rates are levied on all residential properties 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 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 percentage rates for a parcel of commercial land, and the percentage rates for a parcel of residential land. The values are determined for section 34 (4) of the *Rates Act 2004*.
8. For section 14 (3) of the *Rates Act 2004*, the fixed charge (FC) for 2014-15 is determined at:
  - \$675 for residential land (increased from \$626 in 2013-14);
  - \$1,915 for commercial land (increased from \$1,749 in 2013-14); and
  - \$145 for rural land (increased from \$139 in 2013-14).

9. For section 14 (3) of the *Rates Act 2004* the instrument 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 0.2547% (increased from 0.2306% in 2013-14).
  - The owner of land which has an average unimproved land value of between \$150,001 and \$300,000 will be assessed at \$382.05 plus 0.3571% (increased from 0.3241% in 2013-14) 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 \$917.70 plus 0.4287% (increased from 0.3876% in 2013-14) 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 \$1,560.75 plus 0.4873% (increased from 0.4312% in 2013-14) 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 2.4134% (increased from 2.2069% in 2013-14).
  - The owner of land which has an average unimproved land value of between \$150,001 and \$275,000 will be assessed at \$3,620.10 plus 2.7957% (increased from 2.6429% in 2013-14) 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 \$7,114.75 plus 4.0245% (increased from 3.5369% in 2013-14) on the average unimproved value above \$275,000.
12. Rural land will be assessed at a rate of 0.1468% (decreased from 0.1524 per cent in 2013-14).
13. This instrument revokes DI2013-175. DI2013-175 continues to apply to the period 1 July 2013 to 30 June 2014 inclusive.

Authorised by the Acting Treasurer  
Katy Gallagher MLA