

2003

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

RATES AND LAND TAX AMENDMENT BILL 2003 (No 2)

EXPLANATORY STATEMENT

Presented by the Treasurer

Ted Quinlan MLA

Rates and Land Tax Amendment Bill 2003 (No 2)

Summary

The *Rates and Land Tax Amendment Bill 2003 (No 2)* amends the *Rates and Land Tax Act 1926* to:

- change the fixed charge from \$300 to \$320;
- restate the formulas; and
- provide three new values for P (rating factor) for commercial, residential and rural land.

Overview

The existing formulas in *Rates and Land Tax Act 1926* (the Act) are based on historical and, consequently, irrelevant rating factors.

This amendment to the Act is necessary to update the basis for the calculation of rates from 1 July 2003 to ensure that the overall rates revenue for 2003-04 does not exceed a CPI increase.

Details of the Bill are attached.



Details of the Rates and Land Tax Amendment Bill 2003 (No 2)

Part 1 Preliminary

Clause 1 Name of Act

This Act is the *Rates and Land Tax Amendment Act 2003 (No 2)*.

Clause 2 Commencement

This Act commences immediately after the commencement of the *Revenue Legislation Amendment Act 2002 (No 2)*, part 4.

Clause 3 Act amended

This Act amends the *Rates and Land Tax Act 1926*.

Clause 4 Imposition

Section 13 (2)

A new section is substituted which changes the fixed charge to \$320.

Clause 5

Section 13 (3) and (4)

New sections 13 (3), (4) and (5) are substituted which restate the formulas for residential, commercial and rural land, and change the fixed charge for residential and commercial land to \$320.

The following values for P (the rating factor) are substituted:

- For residential land 0.5103%
- For commercial land 1.2694%
- For rural land 0.25515%

Clause 6 Imposition and assessment of rates – certain qualifying parcels of land

Section 22GM (2)

A new section is substituted so that a parcel of land which is to be unit titled with specified commercial and residential purposes can be differentially rated in proportion to the percentage of the development

specified for those purposes, using the same fixed charge and rating factors as other commercial and residential land.