

Australian Capital Territory

Rates (Residential Units) Exemption 2017

Notifiable instrument NI2017–333

made under the

Rates Act 2004, s 41 (Exemption from rates)

EXPLANATORY STATEMENT

Commencement

This notifiable instrument commences on 1 July 2017.

Background

Rates are levied on all properties to provide funding for a wide range of essential services to the Canberra community, including municipal services, schools, roads and hospitals.

Section 14 (2) of the *Rates Act 2004* (the Act) imposes rates for a parcel of rateable land that is a unit subdivision in accordance with section 29 (3).

Section 29 (3) provides that the rates imposed are payable by unit owners and that the amount payable is worked out by the formulae in section 29 (4), a formula for units other than a residential unit (section 29 (4) (a)), and a formula for residential units (section 29 (4) (b)).

Under section 29 (4) (b) the rates payable for residential units is comprised of a fixed charge (FC) amount, in addition to an ad valorem amount that is worked out based on the Average Unimproved Value of the parcel of land, the number of residential units in the parcel, the rating factor, and the unit entitlement of the residential unit.

In certain situations the Minister may, exempt the owner of a parcel of land from payment of the rates owing for any period, or from payment of a stated part of the rates, under section 41 of the Act.

Determination

This instrument provides an exemption of \$100 from the FC amount of the rates payable by residential unit owners for the 2017-2018 rates assessment year, which is based on the financial year. The instrument expires at the end of the financial year on 30 June 2018.

The exemption complements legislative amendments made to the Act that changes the methodology for residential unit rates calculations, and lessens the impact of rates changes on residential unit owners in 2017-2018.

The legislative amendments are contained in the *Revenue Legislation Amendment Act 2017 (No 2)*, the provisions of which commence on 1 July 2017.

Authorised by the Treasurer
Andrew Barr MLA

20 June 2017