

Australian Capital Territory

Rates (Fire and Emergency Services Levy) Exemption 2020

Notifiable instrument NI2020–361

made under the

Rates Act 2004, s 41 (Exemption from rates)

EXPLANATORY STATEMENT

In March and April 2020, the Government announced measures to support business, industry and our community affected by the COVID-19 pandemic. As part of the stimulus packages, the Government is providing rates assistance to property owners. Included as part of these measures was a freeze on the amount of the fire and emergency services levy (FESL) to be imposed (set at the amount for the 2019-20 financial year).

While the FESL imposed on residential and rural properties is based on a set amount, the FESL for commercial properties is determined by the application of marginal factors on average unimproved value (AUV) under schedule 1, sections 1.1 (3) and 3.1 (4) of the *Rates Act 2004* (the Act). AUV, which is separately determined under the Act, may vary from year-to-year.

This instrument provides an effective cap on the amount of FESL to be imposed on commercial land for the 2020-21 financial year, set at the amount of FESL imposed on a parcel of land during the 2019-20 financial year.

This instrument exempts a ‘determined amount’ of the FESL for owners of eligible commercial land. The determined amount is calculated based on the difference in the amount of FESL imposed on a parcel of commercial land between the 2019-20 and 2020-21 financial years, where there is an increase in FESL for 2020-21. Where a parcel of commercial land has no change or a reduction in FESL, the exemption does not apply and the owner of the land would experience no change or a reduction in FESL, as applicable.

The exemption also does not apply to a parcel of commercial land which did not have FESL imposed at the commercial rate for the entire 2019-20 financial year (for example, the property is a new parcel of land for the 2020-21 rating period or became a commercial property during the 2019-20 rating year). In such instances, the marginal factors specified under section 139 of the *Taxation Administration Act 1999* will apply to determine the amount of FESL to be imposed.

Authorised by the Treasurer
Andrew Barr MLA