

## LAND TAX (AMENDMENT) BILL 1987

NEW SOUTH WALES



### EXPLANATORY NOTE

**(This Explanatory Note relates to this Bill as introduced into Parliament)**

This Bill is cognate with the Stamp Duties (Further Amendment) Bill 1987.

The object of this Bill is to amend the Land Tax Act 1956—

- (a) to increase the threshold value of land at which land tax becomes payable, as from the 1988 land tax year; and
- (b) as a consequence of the enactment of the proposed Land Tax Management (Amendment) Act 1987, which expands the scope of exemptions from land tax in some cases of multiple occupancy of residential land.

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Clause 1 specifies the short title of the proposed Act.

Clause 2 provides for the commencement of the provisions of the proposed Act on a number of different dates. The provisions relating to the reduction of land tax in some cases of multiple occupancy of land are deemed to have commenced on 31 December 1986. The provisions relating to the levying of land tax for the 1988 land tax year and subsequent land tax years are to commence on 31 December 1987.

Clause 3 is a formal provision which gives effect to the Schedule of amendments.

Schedule 1 (1) amends section 3AB of the Land Tax Act 1956 as a consequence of the insertion of proposed section 3AC. Section 3AB is amended to apply to the levy of land tax for only the 1986 and 1987 land tax years.

Schedule 1 (2) inserts proposed section 3AC which levies land tax for the 1988 land tax year and subsequent land tax years. The tax threshold under this section will be \$125,000, compared with \$94,000 for the 1986 and 1987 land tax years.

Schedule 1 (3) (a) amends section 3A as a consequence of the insertion of proposed section 3AC.

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Schedule 1 (3) (b) inserts section 3A (5) which provides that, as from the 1987 land tax year, section 3A will not apply if the building, or the buildings on the land together, comprise 2 residential units and the land is exempted from land tax under the Land Tax Management Act 1956.

Schedule 1 (4) inserts section 3B (2) to provide that, as from the 1987 land tax year, section 3A will not apply to a residential unit, by virtue of section 3B, if the building on the land, or the buildings on the land together, comprise one residential unit and one other flat and the land is exempted from taxation under the Land Tax Management Act 1956.

Schedule 1 (5) (a) amends section 3C (2) and (4) as a consequence of the insertion of proposed section 3AC.

Schedule 1 (5) (b) inserts section 3C (6) which provides that, as from the 1987 land tax year, section 3C will not apply if the building on the land, or the buildings on the land together, comprise 2 flats and the land is exempted from land tax under the Land Tax Management Act 1956.

Schedule 1 (6) inserts (as a consequence of the proposed insertion of section 3AC) proposed Schedule 4 which sets out land tax rates for the 1988 land tax year and for subsequent land tax years.

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