

LAND TAX (AMENDMENT) BILL 1988

NEW SOUTH WALES



EXPLANATORY NOTE

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

The Land Tax Management (Amendment) Bill 1988 is cognate with this Bill.

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

- (a) to increase the threshold below which land tax is not payable from \$125,000 to \$135,000; and
- (b) to enable individual shareholders in or the secretary of a company to apply for a reduction in land tax in respect of certain flats owned by the company (the current requirement is that all shareholders must apply).

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides that the proposed Act is to commence on 31 December 1988.

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

SCHEDULE 1—AMENDMENTS

Raising of minimum taxable value

Schedule 1 (2) and (5) insert provisions into the Principal Act that raise the taxable value below which land tax is generally not payable. Currently, if the taxable value of a person's land holdings is less than \$125,000, no land tax is payable (except in the case of a non-concessional company or a special trust). The Bill increases this amount to \$135,000 with effect for the 1989 tax year and subsequent tax years. The rate of land tax is unchanged. Schedule 1 (1), (3) (a) and (4) make consequential changes.

Land Tax (Amendment) 1988

Application for reduction in respect of flats

Schedule 1 (3) (b) amends the provision of the Principal Act that deals with reductions of land tax in respect of certain flats used for residential purposes. Currently, if the land on which the flat is erected is owned by a company, the reduction is not available unless all the shareholders in the company apply for it. As amended, the provision will require only that at least one shareholder or the company secretary apply for the reduction.
