



COVID-19 Land Tax Relief in Victoria

and other recent land tax and stamp duty relief measures

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What we are covering today



Irina Tan

Land tax
relief measures

Eligibility
requirements



Jessica Ghang

How to apply for
relief measures

Other land tax
(and stamp duty)
relief available

What we are covering today



**What are the
land tax relief
measures?**



**What are the
eligibility
requirements?**



**How can I
apply for land
tax relief?**



**Other land tax
(and stamp
duty) relief
available**



**Where can I
find more
information
and FAQ**

What are the land tax relief measures?



25% discount and deferral of 2020 land tax

25% discount of 2020 land tax on a property and deferral of the balance of 2020 land tax assessment until **March 2021 for eligible landlords**



General deferral

Deferral until **after 1 Jan 2021 for landowners** that have at least one non-residential property and total taxable Victorian landholdings below \$1m



25% discount
and deferral of
2020 land tax

What are the eligibility requirements?



Commercial properties

Property under an eligible lease
since before **29 March 2020**

Tenant with an annual aggregated
turnover **not exceeding \$50m**

Tenant is eligible for and
is participating in **JobKeeper**

Rent relief provided equal
to at least 25% of the proportional
land tax on the property



Residential properties

Property leased under an
eligible agreement since before
29 March 2020

Tenant's ability to pay rent
affected by COVID-19

Rent relief provided equal
to at least 25% of the
proportional land tax on
the property



Untenanted properties

The property was tenanted
in March 2020 or was the subject
of an executed lease agreement
in March 2020 that was not
fulfilled by the tenant

The property is subsequently
**vacant for a continuous
period of 3 months**
because of COVID-19



25% discount
and deferral of
2020 land tax

Issues

**Separate leasing / tenant entity
and employer** within the same
business group

Multiple tenancies
within a property

Property **under construction**



Sub-leasing arrangement

Related landowner and tenant

Absentee Owner Surcharge

Vacant Residential Land Tax

Multiple Tenancies

Case Study 1

Statements of lands for period 1 January 2020 to 31 December 2020

Assessment number:

Lands owned at at midnight 31 December 2019

Item	Address/Municipality	Land ID/References	Single holding tax ¹	Proportional tax ¹	Taxable value
1	Ground Floor, 123 Pitcher Partners Drive, Melbourne 3000	01932678	\$38,475.00	\$65,691.00	\$3,600,000 TS
2	Floor 1, 123 Pitcher Partners Drive, Melbourne 3000	01935695	\$13,145.00	\$38,137.28	\$2,090,000 TS
3	Floor 2, 123 Pitcher Partners Drive, Melbourne 3000	12983192	\$34,875.99	\$62,771.40	\$3,440,000 TS
4	1 ABC Drive, Melbourne 3000	82374293	\$2,325.00	\$15,875.33	\$870,000 TS
Total taxable value					\$10,000,000

Penalties for failing to notify of errors and omissions

You must ensure that the information contained in your land tax assessment is correct to avoid penalties. If any land you own is omitted from this assessment or is incorrectly specified as exempt, you must [notify us within 60 days](#) of the issue of this assessment. If you have not already, you must also notify us if you hold land and trustee for a trust or if you are an absentee owner. Penalties may apply if you do not make a required notification. You can request and amendment to your assessment or notify us of changes by visiting [sro.vic.gov.au/landtax](#).

Explanation of codes (for details, go to [sro.vic.gov.au/codes](#))

¹ SINGLE HOLDING TAX	¹ PROPORTIONAL TAX	PPR	TS
This is the amount of tax you would pay on the one property	This is the tax applicable to the specified land as a proportion of the total land tax liability on your assessment	Land Tax Principal Place of Residence exemption	Trust Surcharge

Commercial building

- Multiple properties within building
- 25% discount on proportional tax of **each property** that meets the eligibility criteria

Land tax payable for 2020 year calculated as:

$$\begin{aligned}
 &\$65,691.00 - (\$65,691.00 \times 0.25) \\
 &= \mathbf{\$49,268.25}
 \end{aligned}$$

Multiple Tenancies

Case Study 1

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Residential property

- Property rented
- 25% discount on proportional tax payable on the property if it meets the eligibility criteria

Land tax payable for 2020 year calculated as:

$$\$15,875.33 - (\$15,875.33 \times 0.25) = \$11,906.50$$

Vacant Residential Land Tax

Case Study 2



Due to COVID-19 pandemic

- *Residential property developers have unsold stock and face delayed settlements*
- *Landlords are unable to secure tenants under a lease or occupants under a shorter-term letting arrangement (e.g. via Airbnb)*

What are the potential Vacant Residential Land Tax (VRLT) Implications?

- VRLT is an annual tax of **1% of the council Capital Improved Value**
- Different to land tax, the absentee owner surcharge and the federal annual vacancy fee
- Applies to **residential land in specified council areas** in inner and middle Melbourne that was **vacant** for > 6 months during the previous year
- There would be a **liability for VRLT in 2021 year** if properties are within the catchment areas and end up being vacant for more than 6 months this calendar year due to the impacts of COVID-19
- Victorian Government has not announced any COVID-19 relief from VRLT



General
deferral

What are the eligibility requirements for land tax relief?



Ownership

Own at least one
non-residential property



Value of properties

Total taxable value of
all landholdings below \$1m



25% discount
and deferral of
2020 land tax

How can you apply for land tax relief?



Online – My Land Tax portal

Applications have to be made via SRO's
My Land Tax portal

Separate application for each property

How can we help?

Assessing eligibility for
land tax relief

Registering on My Land Tax portal

Preparing application, collating relevant
evidence, lodging application

1	111 ABC Drive, MELBOURNE 3000	Taxable land value: \$520,000 Proportional tax: \$10,955.68	Manage property I want to apply for COVID-19! ▾ Next
2	222 ABC Drive, MELBOURNE 3000	Taxable land value: \$2,185,000 Proportional tax: \$46,034.93	Manage property I want to apply for COVID-19! ▾ Next



25% discount
and deferral of
2020 land tax

How can you apply for land tax relief?



Evidence required – full list in our Fact Sheet

Tenanted properties

Lease agreement, details and evidence of rent reduction, SRO form completed by tenants

Untenanted properties

Date the property became available for rent, rental advertisement, description of how COVID-19 has impacted ability to secure a tenant, managing / leasing authority agreement with property agent or manage

What you need to prepare for a tenanted commercial property

- A completed 'Coronavirus land tax relief: commercial tenant details' form available from SRO website
- Rent reduction amount and date period
- Lease agreement between tenant and landlord prior to COVID-19
- Written evidence of rent reduction or waiver as a result of impact of COVID-19
- If reduced rental amount is result of mediation, a copy of mediation agreement.





How can you apply for land tax relief?

Land Tax Form 20 : Coronavirus land tax relief – commercial tenant



Was your aggregated turnover in 2018-19, or is your expected aggregated turnover in 2019-20, less than \$50 million?

☒ Yes

☐ No

Are you participating in the Australian Government's JobKeeper program?

☒ Yes

☐ No

Provide your Jobkeeper declaration receipt number.

Are you required to pay land tax for the property on behalf of your landlord?

☒ Yes

☐ No

Has your landlord agreed to pass on to you any reduction in land tax for the property that your landlord may be eligible for as a result of coronavirus emergency tax relief measures?

☐ Yes

☐ No

Next



General
deferral

How can you apply for land tax relief?



*Eligible landowners should be
contacted directly by the SRO*

How can we help?

Assessing eligibility for this general deferral measure including review of property ownership details

Contact the SRO on your behalf to seek access to this general deferral measure, including requesting amendments of incorrect property ownership records



***What if you are not eligible for the 25% Discount and Deferral
or the General Deferral relief measures?***

We can assist with considering other options for payment deferral



Other tax relief available – Bushfire tax relief

Land tax

Land tax relief for the 2020 land tax year for **destroyed or substantially damaged properties**

- Property affected but not destroyed or substantially damaged:
case-by-case basis

Land tax relief for the 2021 land tax year for **properties used to provide free accommodation** to people displaced by bushfires



Arthurs' Seat covered by smoke from the bushfires



Other tax relief available – Bushfire tax relief

Stamp duty

Purchase of **replacement homes or land** to build replacement homes – relief up to \$55,000

Purchase of **commercial or industrial property in certain disaster areas** – 50% concession

Purchase of **replacement motor vehicles** – relief up to \$2,100 per vehicle for up to 2 vehicles





Previous bulletins



<https://www.pitcher.com.au/news/land-tax-relief-landlords>



<https://www.pitcher.com.au/news/tax-relief-measures-announced-state-and-territory-governments>



<https://www.pitcher.com.au/news/state-taxes-relief-measures-announced-following-bushfires>

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