

## CLAUSE NOTES

### *Taxation and Grants Legislation (Housing Construction Amendments) Bill 2017*

#### Part 1 - Preliminary

- Clause 1 This Act may be cited as the *Taxation and Grants Legislation (Housing and Construction Amendments) Act 2017*.
- Clause 2 The Bill is to commence on 1 July 2017 and is taken to have commenced on 1 July 2017 if the Act receives Royal Assent after that date.

#### Part 2 - Duties Act 2001 Amended

- Clause 3 In this Act, the *Duties Act 2001* is referred to as the Principal Act.
- Clause 4 Amends section 19(2), which will mean that:
- Consideration for a dutiable transaction will no longer be taken to include building works or other improvements agreed to be made to the land that are performed after the land transfer as part of an arrangement between associated persons.
  - Further, for standard single-dwelling house and land packages, the consideration for the land transfer will also exclude improvements that are performed on the property after the agreement for sale is entered into.

Under the second measure, the improvements must:

- involve the construction of a single home on the property that may be lawfully occupied, and is intended for occupation, as a place of residence. This excludes flats, home units and similar buildings.
- be work within the meaning of the Building Act 2016.
- improvements do not include works that are related to site preparation, such as levelling of the land, vegetation removal or underground infrastructure.

The provision does not operate where, at the time of the agreement, there is a building on that property that may be lawfully occupied as a place of residence.

Full duty will continue to apply to the purchase of spec homes where the improvements have already been completed at the time of agreement and land transfer.

#### Part 3 - First Home Owner Grant Act 2000 Amended

- Clause 5 In this Part, the *First Home Owner Grant Act 2000* is referred to as the Principal Act.

- Clause 6 Amends section 18(2) of the Principal Act to provide for an increased grant of \$20 000 for eligible transactions that are entered into between 1 July 2017 and 30 June 2018.
- Clause 7 Inserts a section 18E of the Principal Act to provide for the conditions of the \$20 000 grant. The amendment also clarifies that, where a payment of \$20 000 is made to an eligible recipient in anticipation of this Bill receiving Royal Assent, that payment is taken to be a first home owner grant payment for the purposes of the Principal Act.

#### **Part 4 - Concluding Provision**

- Clause 8 This Act will be repealed 365 days after it commences.