

Legislation Fact Sheet

Land Tax Amendment (Foreign Investors) Bill 2022

- The Land Tax Amendment (Foreign Investors) Bill 2022 (the Bill), together with the Land Tax Rating Amendment (Foreign Investors) Bill 2022, gives effect to the Government's 2021 State election commitment to introduce a Foreign Investor Land Tax Surcharge (FILTS).
- The Bill amends the *Land Tax Act 2000* to provide that the FILTS will commence on 1 July 2022 and will be applied to any interest in residential land that is:
 - acquired by a foreign person on or after 1 July 2022; or
 - owned by a foreign company or trust that becomes foreign on or after 1 July 2022.
- The FILTS will also be applied to an interest in land that was acquired by a foreign person prior to 1 July 2022, if that person acquires a further interest in the same land after the commencement of the FILTS.
- The FILTS will not apply to principal residence land held by foreign persons, or to commercial residential properties such as hotels, boarding houses, housing provided by or on behalf of educational institutions, residential care facilities and retirement villages.
- As far as possible, the operation of the FILTS will align with the existing provisions of the Land Tax Act and the provisions of the *Duties Act 2001* that relate to the Foreign Investor Duty Surcharge (FIDS).
- Consistent with the FIDS:
 - a six-month window is included after each assessment date for non-foreign discretionary trust deeds to be amended to prevent the unintended imposition of the FILTS;
 - the Commissioner will be provided with the discretion to determine that a landowner is not foreign for the purposes of the FILTS; and
 - the Commissioner will have the power to publish circumstances where a landowner is not to be considered foreign for the purposes of the FILTS.
- A provision is included that provides FILTS relief to Tasmania-based foreign developers that significantly add to the State's housing supply, by building at least 50 residential dwellings in a 12 month period. These developers will be able to apply for a reassessment of any FILTS paid on the land on which those dwellings are built.
- The Bill works in conjunction with the Land Tax Rating Amendment (Foreign Investors) Bill, which sets the FILTS at a rate of two per cent under the *Land Tax Rating Act 2000*.