

Minister for Finance  
Minister for Local Government  
Minister for Sport and Events

Level 5, 4 Salamanca Place, HOBART TAS 7000 Australia  
GPO Box 123 HOBART TAS 7001 Australia  
Ph: +61 3 6165 7794  
Email: Minister.Street@dpac.tas.gov.au



07 OCT 2024

Mr Vica Bayley MP  
Greens Member for Clark

Via email to [laura.ross@parliament.tas.gov.au](mailto:laura.ross@parliament.tas.gov.au)

### Constituency Question of 17 September 2024 – Land Tax

  
Dear Mr Bayley

Thank you for your question on behalf of your constituent regarding the levying of land tax on first home buyers purchasing a home as a principal place of residence.

Land tax is an annual tax based on the use of the land as at 1 July of each year and changes to land ownership and usage commonly arise when a property is sold. If a property is used by the owner as their principal place of residence on 1 July of any given year, they are exempt from land tax for the ensuing 12 months.

The State Revenue Office's *Guidelines for legal practitioners and conveyancers* states that the owner of a property at the beginning of the financial year is liable to pay land tax for that year.

The Guidelines also note that the *Land Tax Act 2000* allows for a sale agreement to apportion the land tax for the relevant financial year between the seller and purchaser through the inclusion of a relevant clause, noting it is not mandated and is a matter for each individual sale. Section 40 (1) of the Act states:

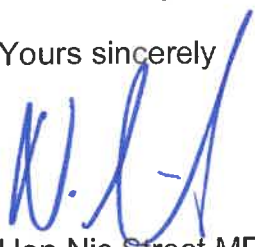
*A person who pays land tax in respect of land of which the person has ceased to be the owner before the end of the financial year for which the land tax is imposed **may** [my bolding] recover a proper proportion of the tax from any other person who became owner before that end as money paid for that other person at his or her request.*

This is a contractual consideration for the seller and purchaser to negotiate. In the case of Judith's son, this should have been something for the vendor and he to negotiate based on advice from their legal advisers.

There is no provision in the Land Tax Act to charge land tax on a pro rata basis. The use of a specific date (1 July) to assess land tax ensures consistent treatment for taxpayers and administrative simplicity. This is consistent with all other states and territories and I am satisfied that the current method of calculating land tax is appropriate.

Thank you for your interest in this matter. I hope this information helps to clarify the question raised with you.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'N. Street', written over the typed name.

Hon Nic Street MP  
**Minister for Finance**