



LAND TAX GUIDE

What is land tax?

The state government imposes land tax on the owners of freehold land in Queensland as at midnight on 30 June each year. This is done under the Land Tax Act 2010.

Land tax is assessed on the taxable value of an owner's total land-holdings, which is the total value of land less any exemptions claimed.

How is land tax calculated?

Land tax is calculated on the value of land as:

- determined by the Department of Environment Management (DERM)
- issued under the Valuation of Land Act 1944 (VOLA).

This VOLA value is averaged over three years (where possible) to provide a taxable value for land tax.

As the VOLA value of land is determined by DERM, you should visit www.derm.qld.gov.au if you would like more information, or you think the value is wrong.

Who pays land tax?

The owner of the land at midnight 30 June is liable to pay land tax. The owner is usually the person on the Certificate of Title. This includes every person who is entitled to be registered as the owner on the title.

Individuals may pay land tax if the total taxable value of land owned in Queensland at midnight 30 June is \$600,000 or more.

A company, absentee (a person who does not ordinarily live in Australia) or trustee (including trustees of deceased estates), may need to pay land tax if the total taxable value of the land owned is \$350,000 or more.



NOTE: If a contract of sale is signed before the 30 June, but the buyer takes possession after that date, the seller is still the owner for land tax purposes.

Extended Payment Option (EPO)

From the 2010-11 financial years, you have two ways of paying your land tax liability.

You can pay:

1. the full amount with a single payment on the due date (90 days from the date of assessment)
or
2. using the EPO - three equal payments due 45, 90 and 150 days after the date of assessment. Payments must be made by direct debit. This option is only available online and must be set up within 21 days of the issue date of your assessment notice.

Land tax rates

Land tax is assessed on a sliding scale.

There are two separate scales, one for individuals (other than trusts or absentees) and one for companies, trustees and absentees.

Rates for Individuals (other than trustees or absentees)

- Taxable land value up to < \$600,000 duty payable is Nil
- Taxable land value from \$600,000 to < \$1,000,000 duty payable is \$500 plus 1 cent for each \$1 over \$600,000
- Taxable land value from \$1,000,000 to < \$3,000,000 duty payable is \$4,500 plus 1.65 cents for each \$1 over \$1,000,000
- Taxable land value from \$3,000,000 to < \$5,000,000 duty payable is \$37,500 plus 1.25 cents for each \$1 over \$3,000,000
- Taxable land value from \$5,000,000 or more duty payable \$62,500 plus 1.75 cents for each \$1 over \$5,000,000

Rates for Companies, trustees and absentees

- Taxable land value up to < \$350,000 duty payable is Nil



- Taxable land value from \$350,000 to < \$2,250,000 duty payable is \$1,450 plus 1.7 cents for each \$1 over \$350,000
- Taxable land value from \$2,250,000 to < \$5,000,000 duty payable is \$33,750 plus 1.5 cents for each \$1 over \$2,250,000
- Taxable land value \$5,000,000 or more is \$75,000 plus 2 cents for each \$1 over \$5,000,000

Exemptions

Depending on the use of the land, you may be eligible for a land tax exemption.

Once your exemption application is approved, the exemption will continue - you don't need to re-apply each year. However, you are legally required to notify us in writing if you become ineligible to receive an exemption. It is an offence not to do so.

Visit www.osr.qld.gov.au for more detailed land tax information, forms, Public Rulings and a tax estimator.

Source: Queensland Office of State Revenue