



I bought an investment property for \$409,000 in July. Do I have to pay any land tax?

Rebecca, Sydney

I doubt if you will need to pay land tax Rebecca but it does depend on where the property is located and the unimproved value of the land (rather than the whole property value). Land tax is a state tax imposed by each Australian State and Territory (except NT) and as you can expect each state has different set of rules including different rates, thresholds and due dates.

The tax is generally levied on the owners of land as at midnight on 31 December of each year for land that is greater than the threshold level. If you are liable for land tax then you need to submit a land tax return in January. Owner occupied homes or land used for primary production are generally exempt from land tax whilst properties held in a trust or company generally have a zero threshold.

State	Land tax threshold	Website
NSW	\$359,000	www.osr.nsw.gov.au
VIC	\$225,000	www.sro.vic.gov.au
SA	\$110,000	www.revenue.sa.gov.au

WA	\$300,000	www.dtf.wa.gov.au
QLD	\$600,000	www.osr.qld.gov.au
ACT	\$75,000	www.revenue.act.gov.au
TAS	\$25,000	www.treasury.tas.gov.au

As you can see in the table, assuming that your investment property is in NSW you will probably be under the NSW threshold if the building is worth more than \$50,000. But it would be a different story in most other states and I probably recommend that you go and see your accountant.

[What's the First Home Owners Grant all about?](#)

The Federal Government has announced a First Home Owner Boost, which supplements the First Home Owner Grant Scheme. First home buyers who enter into a contract to buy their first home between 14th October 2008 and 30 June 2008 may be eligible for the increased grant.

- Eligible First home buyers who purchase established homes will receive a boost of \$7,000 that will double the grant to \$14,000
 - Eligible First home buyers who build a new home or purchase a newly constructed home will receive an extra \$14,000 to take their grant to \$21,000.
- For more information on the First Home Owners Grant and the First Home Owners Boost visit the government's [First Home Owners website](#) or contact the State Revenue Office in your state.

Tip: If you take up one of our home loans and you're eligible for the First Home Owners Buyers Grant, we'll do all the paperwork for you.

[What's the criteria?](#)

You're eligible for this grant if:

- You're an Australian citizen or a permanent resident and at least 18 years old.
- You live in the place you buy within the first year of owning it.

- You buy in the same state/territory where you apply.
- You've never owned a home or received the grant before (makes sense!).
This includes your spouse or de facto if you own the place together.

[How and when will the grant be paid?](#)

- For an existing home, payment will be made at settlement.
- If you're building, payment will be made on your first progress payment to the builder, provided it's not less than the amount of the grant.
- For owner builders, the grant will be transferred into the approved agent's account when building is completed.

[How long will it take to process my application?](#)

It should take about 10 working days from the time your application is received.

[How will the grant be paid?](#)

It will be paid by electronic funds transfer (EFT) into the account you nominate on your application form.

[Where can I get more information?](#)

The following websites have all the information you need about the First Home Owners Grant in your state/territory, including specific eligibility requirements and application forms. Fingers crossed!

- ACT www.act.gov.au
- NSW www.osr.nsw.gov.au NT www.nt.gov.au
- QLD www.osr.qld.gov.au
- SA www.revenuesa.sa.gov.au
- TAS www.treasury.tas.gov.au
- VIC www.sro.vic.gov.au
- WA www.dtf.wa.gov.au