

Rates and thresholds

1 July 2019

Table 1: Transfer duty – foreign purchaser residential land stamp duty surcharges¹

State	Surcharge rate	“Residential land”	Foreign corporations ²	Foreign (non-discretionary) trusts ³	Special rules and clawback provisions ⁴
ACT/ NT	N/A	N/A	N/A	N/A	N/A
NSW	8%	<ul style="list-style-type: none"> • One or more “dwellings” • Vacant land zoned residential • Not primary production land 	<ul style="list-style-type: none"> • Applies FIRB definition • “Substantial interest” of 20% or 40% for two or more foreigners 	<ul style="list-style-type: none"> • “Substantial interest” of 20% of the income or property of the trust or 40% for two or more foreigners 	<ul style="list-style-type: none"> • No off the plan concession available • For landholder duty, no value threshold • Exemptions may apply (eg. for foreign controlled property developer)
QLD	7%	<ul style="list-style-type: none"> • Land that is, or will be, solely or primarily used for residential purposes • Land on which residential development is being or will be undertaken • Not commercial residential premises 	<ul style="list-style-type: none"> • Corporation not incorporated in Australia; or • One or more persons or related persons of foreign persons have 50% or more foreign control (votes, potential votes and shares) 	<ul style="list-style-type: none"> • 50% or more of the trust interests in the trust are foreign interests • Foreign interests aggregated 	<ul style="list-style-type: none"> • 3 year reassessment provision if acquirer becomes foreign controlled • Exemptions may apply (eg. significant development)
SA	7%	<ul style="list-style-type: none"> • Land used predominately for residential purposes • Land not used for any particular purpose but which should be taken to be used for residential purposes due to improvements that are residential in character • Vacant land zoned for residential use 	<ul style="list-style-type: none"> • Corporation not incorporated in Australia; or • 50% or more shares or voting rights held by foreign person(s) 	<ul style="list-style-type: none"> • 50% or more of capital of the trust property held by one or more foreign persons 	<ul style="list-style-type: none"> • Exemptions may apply • One year reassessment provision if acquirer ceases to be a foreign person • Three year reassessment provision if acquirer becomes a foreign person

State	Surcharge rate	“Residential land”	Foreign corporations ²	Foreign (non-discretionary) trusts ³	Special rules and clawback provisions ⁴
TAS	Residential: 3% ⁵ Primary production: 0.5% ⁶	<ul style="list-style-type: none"> Residential property: <ul style="list-style-type: none"> – Land used solely or dominantly for residential purposes – Land that is vacant and will be used solely or primarily for residential purposes – Land that includes a building intended to be refurbished and used solely or primarily for residential purposes – Land on which persons intend to construct a building to be used solely or primarily for residential purposes – Land development for the purposes of constructing a building used solely or primarily for residential purposes Primary production⁷: <ul style="list-style-type: none"> – Land used solely or dominantly for primary production purposes 	<ul style="list-style-type: none"> Corporation not incorporated in Australia; or Corporation where foreign persons have a significant interest ie 50% or more shares or voting rights or potential voting rights held by foreign persons (in aggregate) 	<ul style="list-style-type: none"> 50% or more beneficial interest in trust estate by one or more foreign persons (taking their interests in aggregate) 	<ul style="list-style-type: none"> Three year reassessment provision if acquirer becomes foreign
VIC	8%	<ul style="list-style-type: none"> Land capable of being used solely or primarily for residential purposes Land on which person intends to construct residential premises Not commercial residential premises (GST definition) 	<ul style="list-style-type: none"> Corporation not incorporated in Australia; or More than 50% foreign control (votes, potential shares and shares) Foreign interests aggregated 	<ul style="list-style-type: none"> More than 50% of the capital of the estate of the trust (substantial interest by foreign person(s)) Foreign interests aggregated 	<ul style="list-style-type: none"> Foreign owners are required to notify change in intention ie a foreign purchaser must advise in writing, within 14 days of forming the intention to convert property into residential property Exemptions may apply⁸

State	Surcharge rate	“Residential land”	Foreign corporations ²	Foreign (non-discretionary) trusts ³	Special rules and clawback provisions ⁴
WA	7% ⁹	<ul style="list-style-type: none"> • Land capable of being, or intended to be, used solely or dominantly for residential purposes • Land that is vacant or substantially vacant and zoned solely for residential purposes • Any estate or interest in land as described above • Not land intended for aged care, commercial residential premises (GST definition) or a retirement village 	<ul style="list-style-type: none"> • Corporation not incorporated in Australia; or • Corporation where foreign persons have a controlling interest ie 50% or more shares or voting rights or potential voting power held by foreign person(s) or their associates 	<ul style="list-style-type: none"> • One or more foreign persons, with associates, hold beneficial interests in at least 50% of the income or property of the trust 	<ul style="list-style-type: none"> • Exemptions may apply (eg. for residential developers)

1 The surcharge applies to any dutiable transaction where a foreign purchaser acquires land and is in addition to the normal transfer duty rate. The surcharge also applies for relevant acquisitions by foreigners in landholders for landholder duty purposes.

2 Different rules apply for companies, trusts and individuals.

3 Special rules apply to discretionary trusts.

4 Exemptions may be available for property developers, builders or operating businesses.

5 In accordance with the 2019-20 State Budget it is intended that this rate increase to 7% from 1 January 2020.

6 In accordance with the 2019-20 State Budget it is intended that this rate increase to 1.5% from 1 January 2020.

7 Only applies to Tasmania.

8 For example, if a foreign purchaser buys a principal place of residence jointly with a spouse or partner who is an Australian citizen, permanent resident or New Zealand citizen who holds a special category visa.

9 In effect from 1 January 2019 and applies to residential property.

Table 2: Land tax and surcharge land tax rates

State	General land tax rate ¹	Surcharge land tax rate	Liability date
ACT	Fixed charge of \$1,203 plus valuation charge up to 1.1% on 3 year average unimproved value of the residential land	0.75% on all residential land owned by foreign persons	Midnight on 1 July, 1 Oct, 1 Jan and 1 April in each year
NSW	2% for land valued \$4,231,000 and more	2% on all residential land owned by foreign persons	Midnight on 31 December each year
NT	N/A	N/A	N/A
QLD	For companies, trustees or absentees, freehold land of \$10m or more: \$175,000 plus 2.75%	2% on freehold land owned by foreign persons	Midnight 30 June each year
SA	Land value over \$1,231,000: \$12,526 plus 3.7% ⁴	N/A	Midnight 30 June each year
TAS	Land value of \$350,000 and over: \$1,837 plus 1.5%	N/A ²	Midnight on 1 July each year
VIC	Land value of \$3m and over: \$24,975 plus 2.25%	1.5% on all land owned by absentee owners (2% from 1 Jan 2020) 1% on all residential land in Melbourne's middle and inner suburbs left vacant for 6 months or more ³	Midnight on 31 December each year
WA	Land value over \$11m: \$186,550 plus 2.67%	N/A ⁵	N/A

¹ Rates shown are generally the highest marginal rates which apply.

² In accordance with the 2019-20 State Budget, it is intended that a land tax surcharge apply to foreign ownership of residential and primary production land with effect from 1 July 2020.

³ Land that was exempt from land tax but ceases to be exempt is subject to a one off special land tax rate of 5%. For absentee owners, the special land tax rate is 6.5%. Growth Area Infrastructure Contributions (GAIC) may also apply.

⁴ In accordance with the 2019-20 State Budget, the top land tax rate for the value of ownerships above \$5m is intended to be progressively reduced by 0.1% each year from 3.6% on 1 July 2020 to 2.9% from 1 July 2027.

⁵ A metropolitan region improvement tax rate of 0.14% applies to property located in the metropolitan area.

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