

Paying too much Land Tax?

The Land Tax Assessments for 2019 are being issued by the relevant State Revenue Offices (SRO). Are they correct and are you paying too much Land Tax?

Usual Land Tax Assessment process

Each Council/Shire engages a Licensed Valuer for the purpose of valuing each property in their municipality in respect of:

1. The Capital Improved Value (CIV) – Land plus any improvements; and
2. Site Value/Unimproved Land Value – Land Only

Previously, this was done every two years, however **recent changes are seeing valuations now done annually.**

If you conduct any building activity including obtaining certain permits, the council/shire can issue an Amended Rates Notice at any time.

The Council/Shire will declare a range of rates during their annual budgeting process that will then be multiplied usually by the CIV to determine the annual council/shire rates payable by the land owner.

The rates will vary depending upon the use and the relevant planning scheme that applies to the land. For instance there will generally be different rates per dollar for:

1. Residential Land containing a dwelling
2. Vacant Residential Land
3. Industrial Land
4. Vacant Industrial Land
5. Farm Land
6. Native Vegetation etc.

Objecting a Council/Shire Rates Notice

You usually have 60 days to object to a Council/Shire Rates Notice from the issue date, with most objections being:

- Inappropriate Valuation
- Assessed area being incorrect
- Incorrect classification/rate applied
- Property no longer owned etc

The Council/Shire then provide those two values to the SRO:

1. Site Value that is then used to produce the Land Tax Assessments
2. Capital Improved Value that is then used to calculate Vacant Residential Land Tax

The 2019 Land Tax Assessments take into account land held at midnight on 31 December 2018 and use the value as at 1 January 2018.

You have 60 days to object to a Land Tax Assessment from the issue date.

Is your Land Tax assessment correct?

You also have 60 days to object to a Land Tax Assessment from the issue date.

In addition, as Land Tax is a self-assessment system you need to consider whether:

1. All the land you or the entity owns is included and the apportionment is correct
2. Dimensions and description of the land being valued are correct
3. Is any land which you have bought/sold disclosed?
4. If you receive multiple assessments for the same owner – for instance individuals name may be spelt wrong etc
5. Any exemptions are correctly applied – for instance primary production land, principal place of residence, exempt status etc
6. Whether Absentee Owner Surcharge should be or should not be charged
7. Whether any Vacancy Residential Land Tax has been correctly assessed
8. Land subject to the Trust surcharge has been correctly assessed
9. Correct ownership is disclosed – Trust as opposed to Trustees etc.

It is often easier to object against the Council Rates Notice as in essence this information is then fed through to the SRO.

Where the valuation is not appropriate, it is prudent to obtain supporting evidence which in many cases will include a formal Valuation from a Property Valuer to support a lower and correct valuation.

There is a cost/benefit assessment to be done when lodging an objection.

How we can help

To assist you we can:

- Review the Land Tax Assessments to ensure that you are correct – remembering that it is a self-assessment system
- Consider whether the Site Value is appropriate and if not consider lodging an objection.



Daren McDonald

Partner, Chair of Property & Infrastructure

T +61 3 8635 1979

M +61 418 130 853

E dmcdonald@shinewing.com.au

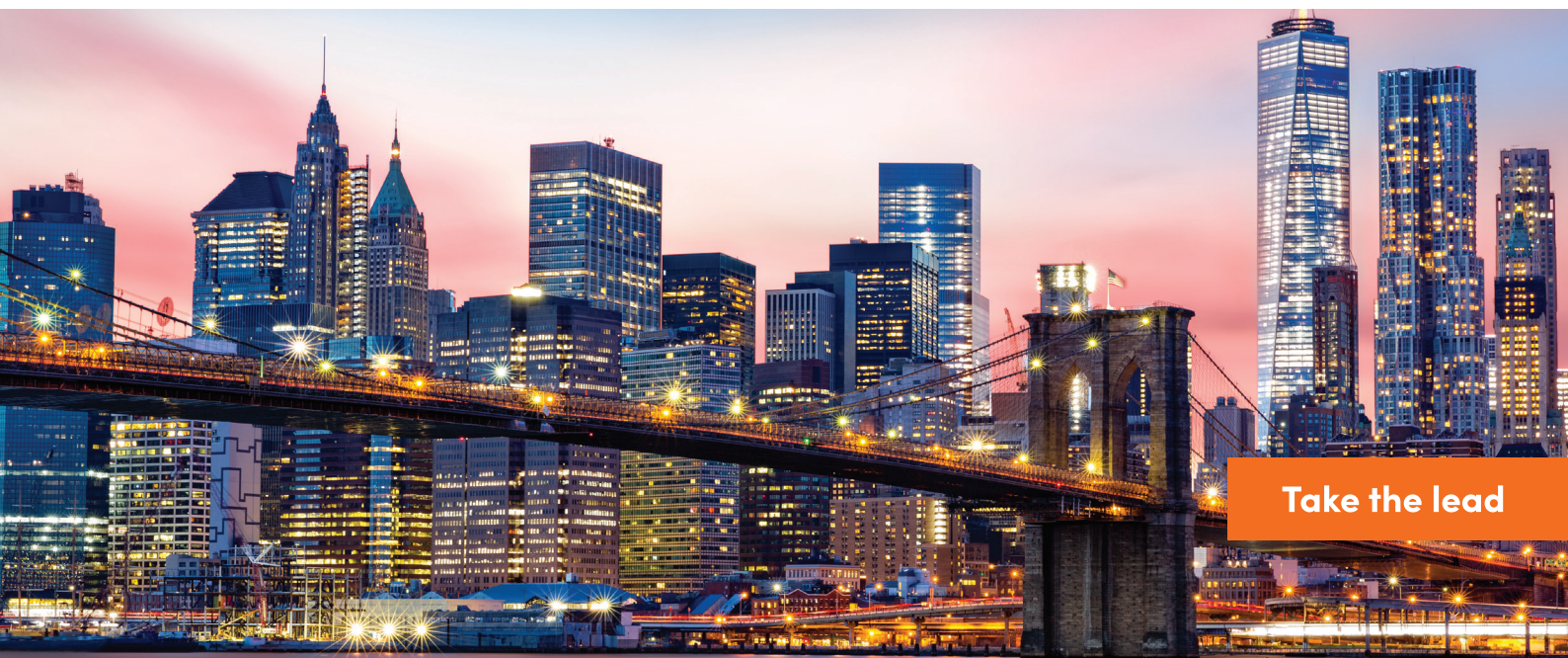
“At this time of year, I continue to see Land Tax Assessments which are factually incorrect and the valuations are not appropriate.

Given the significant movement in property values this year, changes in Land Tax are significant.”

shinewing.com.au

[twitter](#) | [facebook](#) | [linkedin](#)

The material contained in this publication is in the nature of general comment and information only and is not advice. The material should not be relied upon. ShineWing Australia, and related entity, or any of its offices, employees or representatives, will not be liable for any loss or damage arising out of or in connection with the material contained in the publication.



Take the lead