

NSW COVID-19 land tax relief

The NSW Government land tax relief is now available to commercial and residential landowners who provide a reduction in rent to tenants experiencing financial distress due to COVID-19.

25 August 2021

Following a similar scheme provided in 2020, the current program provides a reduction in land tax payable for the 2021 land tax year for eligible landowners providing rent relief to tenants between 1 July 2021 and 31 December 2021. Applications will be open until 31 January 2022.

Residential landlords have the option of choosing between the land tax relief or the Residential Tenancy Support Payment of up to \$1,500 per tenancy agreement if they agree to reduce rent for COVID-19 impacted tenants from 14 July 2021 to 31 December 2021. If the residential landlord has claimed the Residential Tenancy Support Payment they will be ineligible for land tax relief.



How is land tax relief calculated and provided?

- The land tax reduction will be the lesser of:
 - The amount of rent reduction provided to an eligible tenant for any period between 1 July 2021 and 31 December 2021, or
 - 100% of the 2021 land tax attributable¹ to the parcel of land leased to that tenant.
- If eligible, the land tax relief will be available in the form of:
 - A refund of 2021 land tax has already been paid in full, or
 - An offset for the amount of land tax payable if the payment has not been completed.



Landlord eligibility requirements

- Must be leasing a parcel of land to:
 - A commercial tenant who has an annual turnover of up to \$50 million and is eligible for the Micro-business COVID-19 Support Grant, the 2021 NSW Business Grant and/or the JobSaver scheme, or
 - A residential tenant who has had a reduction in household income of 25% or more due to COVID-19.
- Must have reduced the rent of the affected tenant for any period between 1 July 2021 and 31 December 2021.
- Must have provided the rent reduction without any requirement for it to be paid back at a later date.
- Must have land tax attributable to the parcel of land leased to that tenant for 2021.



¹ Land tax attributable is the taxable value of the parcel of land divided by the aggregated taxable value of all parcels of land, multiplied by the landowner's 2021 land tax liability.

Key evidence required

For all landlords

- Details of all eligible tenants, including ABN/ACN for commercial tenants.
- Confirmation of total rent reduced or waived for the 1 July 2021 to 31 December 2021 period. Examples include:
 - Copies of tenancy agreements proving rental reduction
 - Rental ledgers
 - A letter from an accountant or property manager
 - Tenant's financial statements

For commercial tenants

- Documentation demonstrating an annual turnover of less than \$50 million in the 2021 financial year in the form of a letter from an accountant, tax return, business activity statement, or other financial statements
- Evidence of the tenants' eligibility to be approved for the Micro-business, COVID-19 Support Grant, 2021 COVID-19 NSW Business Grant, and/or the JobSaver scheme.

For residential tenants

- Documentation demonstrating a 25% reduction in household income in the form of:
 - a statement from the tenants explaining how they have been impacted by COVID-19
 - copies of written communication with the tenants
 - a letter from an employer or accountant, bank statements, payslips, or other financial statements.

How we can help

Our teams can assist both commercial and residential landlords of all sizes to review evidence documentation, financials, and provide accountant letters to ensure your application is successful. Reach out to one of our experts for a conversation about your circumstances.

Get in touch



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