



Land Tax Assessments

It is that time of year again... land tax assessments' billing has now commenced by the Office of State Revenue in Western Australia.

Land tax is payable on land owned at 30 June, excluding exempt land, with an aggregated taxable value in excess of \$300,000. Land tax is payable on vacant land, land not used by the owners as their primary residence, commercial properties, land held in trust or owned in a company name.

One issue that continues to arise is land held as trustee of a trust, whether it be a family trust or even a self-managed super fund. Whilst a person holding land as trustee is liable for any land tax assessed on that land, land tax can be assessed separately on the land owned for each separate trust.

Further, if a trustee holds taxable land on trust and holds land beneficially, land tax may be assessed separately. However, as Landgate does not make a distinction between legal and beneficial ownership of land; it is up to the taxpayer to notify the Office of State Revenue of any land held in trust.

If the Office of State Revenue is not made aware of the trust ownership, all land will be grouped together and land tax assessed accordingly.

Further and importantly, before the due date for payment shown on the assessment notice, the tax payer **must** notify the Office of State Revenue of any landholding in trust and provide the requisite submissions and documentation to evidence the trust ownership.

The Office of Revenue will assess the submission, and if satisfied that the land is held in trust, new assessment notices will be issued separating any land held in trust from land held beneficially, usually resulting in a substantial saving in the land tax payable.

The savings are even more important given the increase in the land tax for the 2015/2016 period. The land tax rates for 2015/2016 are detailed in the table below:

Unimproved Value	2015/2016 Land Tax Rates
\$300,000 - \$420,000	\$300 flat rate
\$420,000 - \$1,000,000	\$300 + \$0.25 for each \$1 in excess of \$400,000
\$1,000,000 - \$1,800,000	\$1,750 + \$0.90 for each \$1 in excess of \$1,000,000
\$1,800,000 - \$5,000,000	\$8,950 + \$1.80 for each \$1 in excess of \$1,800,000
\$5,000,000 - \$11,000,000	\$66,550 + \$2.00 for each \$1 in excess of \$5,000,000
\$11,000,000 +	\$186,550 + \$2.67 for each \$1 in excess of \$11,000,000

This increase follows a 10% increase in land tax rates in the 2014/2015 budget and is set to generate an *extra* \$826 million over the next four years.

It is expected that the majority of assessment notices will be issued by mid-January 2016, therefore it is imperative that you act quickly as soon as the assessment notice is received.



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If you require any assistance in notifying the Office of State Revenue of land held in trust, and the documentation you require in order to support your submission, please contact Murfett Legal by telephone on +61 8 9388 3100, via our website at www.murfett.com.au or email one of the following directors:

[Jason De Silva](mailto:jason.desilva@murfett.com.au) : jason.desilva@murfett.com.au

[Kelly Parker](mailto:kelly.parker@murfett.com.au) : kelly.parker@murfett.com.au

[Peter Broun](mailto:peter.broun@murfett.com.au) : peter.broun@murfett.com.au

Level 2, 111 Wellington Street, East Perth WA 6004 • PO Box 6314, East Perth WA 6892

T: +61 8 9388 3100 • F: +61 8 9388 3105 • E: reception@murfett.com.au

ABN 74 120 362 825 • W: www.murfett.com.au

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