



LAND TAX RELIEF

COVID-19 RESPONSE



NEW SOUTH
WALES

The NSW Government is introducing measures to help commercial and residential landlords manage their rental properties.

SUMMARY

The support package includes a reduction of up to 25 per cent of the land tax payable on a parcel of land in the 2020 land tax year. It is available when:

- ▶ Your land is used for business or residential purposes
- ▶ You are leasing property on that parcel to a residential tenant – or a business tenant with annual turnover of up to \$50 million – who can demonstrate financial distress resulting from the COVID-19 outbreak
- ▶ You reduce the rent of the affected tenant by at least as much as the tax reduction
- ▶ The land tax is directly related to the property for which rent has been reduced.

A three-month deferral will be available for outstanding land tax payments if you have received a rebate or waiver.

Financial distress is considered to be:

- ▶ For commercial tenants - a 30 per cent drop in revenue due to COVID-19 pandemic
- ▶ For residential tenants - a 25 per cent drop in household income due to COVID-19

ELIGIBILITY

To be eligible for the land tax support package, you must have a land tax liability in 2020.

You must also meet the requirements outlined in the support package, namely:

- ▶ Your tenant is suffering from financial distress as a result of COVID-19
- ▶ You have reduced the rent of the affected tenant by at least as much as the tax reduction.

If you're a landlord who doesn't have a 2020 land tax liability, refer to the [Service NSW](#) website, which provides a number of NSW Government support options you may be eligible for.



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HOW THE REDUCTION IS CALCULATED

The reduction only applies to the affected properties. It is directly related to the property for which the rent reduction applies.

GET A REFUND

Eligible landowners will be able to apply for a land tax reduction via refund. The amount of refund provided will be up to 25 per cent of a landlord's 2020 land tax liability.

INSTALLMENT PLAN

In addition to these measures, there are several options available to you, such as extending deadlines for payments and getting leniency for late payment.

To apply for an extension or request an instalment plan, visit [Apply for an instalment plan](#).

If you pay by instalments, you are not entitled to the land tax discount.

FOREIGN PERSON

If you are not a permanent resident of Australia and, due to the pandemic, can't return to Australia to meet the 200-day residency requirement, you can't be deemed an ordinarily resident. Foreign surcharge still applies.

HOW TO APPLY

Revenue NSW has not yet released an application process or what documents will be required; however, the documents would need to show your tenant is in financial distress as a result of COVID-19.

Supporting documents may include BAS statements, or a letter from an accountant. Revenue NSW may also require evidence that the lease was reduced in response to this financial distress, such as copies of old and new tenancy/lease agreements that indicate rent reduction.



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FAQS

Who is eligible?

To be eligible for the land tax support package, you must have a land tax liability in 2020.

You must also meet the requirements outlined in the support package, namely:

- ▶ Your tenant is suffering from financial distress as a result of COVID-19
- ▶ You have reduced the rent of the affected tenant by at least as much as the tax reduction.

If you're a landlord who doesn't have a 2020 land tax liability, refer to the [Service NSW website](#), which provides a number of NSW Government support options you may be eligible for.

How is the reduction calculated?

The reduction only applies to the affected properties. It's directly related to the property for which the rent reduction applies.

Can I get a refund?

Revenue NSW will not provide a full refund of land tax. However, eligible landowners can apply for the land tax reduction via refund.

The amount of the reduction is the amount that may be refunded.

What happens if I am building a home?

If you are building a home and have been granted an exemption from land tax, the exemption can't be extended beyond four tax years, even if the pandemic has delayed construction.

Does this apply for a foreign person?

If you are not a permanent resident of Australia and, due to the pandemic, can't return to Australia to meet the 200-day residency requirement, you can't be deemed an ordinarily resident. Foreign surcharge still applies.



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