

FIRST PRINT

**LAND TAX MANAGEMENT (FURTHER AMENDMENT)
BILL 1985**

EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

The Land Tax (Further Amendment) Bill 1985 is cognate with this Bill.

The objects of this Bill are—

- (a) to remove the exemption from liability to land tax of certain persons; and
 - (b) to make miscellaneous amendments to the Land Tax Management Act 1956.
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Clause 1 specifies the short title of the proposed Act.

Clause 2 provides for the commencement, or deemed commencement, of the various provisions of the proposed Act on the days specified in the clause.

Clause 3 is a formal provision that gives effect to the Schedule of amendments.

Clause 4 provides for the phasing in, over a 3 year period, of a liability imposed by the proposed Act on certain lessees of land owned by certain charitable or educational institutions or religious societies.

Schedule 1 (1) (a) substitutes the definition of “Discretionary trust” in section 3 (1) of the Principal Act so as to include within the definition as substituted a trust, subject to certain exceptions, under which the vesting of property will occur in the event that a discretion conferred under the trust is not exercised.

Schedule 1 (1) (b) substitutes the definition of “Owner” in section 3 (1) of the Principal Act so as to include within the definition as substituted lessees and occupiers of land owned by the Crown and other persons holding certain leasehold estates.

Schedule 1 (1) (c) omits from the definition of “Public authority” in section 3 (1) of the Principal Act the Government Insurance Office and the State Bank and inserts in the definition certain growth centre corporations.

Schedule 1 (1) (d) inserts into section 3 (1) of the Principal Act a definition of "Special trust" which includes a discretionary trust and a trust, subject to certain exceptions, under which the trustee has active management duties, the whole or part of the trust property of which comprises land and the interests of the beneficiaries under which do not cause them to be owners of that land for the purposes of the Principal Act.

Schedule 1 (2) enables the determination of the "attributable part" within the meaning of section 160C of the Local Government Act 1919 of taxable land in circumstances where such a determination is not able to be made under that Act.

Schedule 1 (3) (a) makes a consequential amendment.

Schedule 1 (3) (b) removes the exemption from taxation under the Principal Act of land owned by the Crown which is occupied under certain tenures specified in the definition of "Owner" as inserted into section 3 (1) of the Principal Act by Schedule 1 (1) (b).

Schedule 1 (3) (c) limits the exemption from taxation under the Principal Act of land of certain charitable or educational institutions to cases where the land is also used and occupied solely by them.

Schedule 1 (3) (d) makes a similar amendment in relation to certain religious societies to that made by Schedule 1 (3) (c).

Schedule 1 (3) (e), (f) and (g) remove the exemption from taxation under the Principal Act in respect of buildings owned and occupied by building societies and land owned by a hospital benefits or medical benefits organisation.

Schedule 1 (3) (h) enables a partial exemption from taxation under the Principal Act, where part only of land is used and occupied by certain exempt persons, in respect of that part.

Schedule 1 (3) (i) makes consequential amendments.

Schedule 1 (3) (j) extends the exemption from taxation under the Principal Act of certain persons to the affiliates of those persons.

Schedule 1 (4) removes the entitlement to a refund of stamp duty on the transfer of a family home from a family company to certain shareholders in the company.

Schedule 1 (5) exempts the growth centre corporation, the Director, Macarthur Growth Area, from taxation under the Principal Act in respect of certain land of the corporation.

Schedule 1 (6) inserts sections 10F and 10G into the Principal Act. Proposed section 10F imposes a liability to taxation under the Principal Act on land owned by the Government Insurance Office and the State Bank. Proposed section 10G provides that the liability to taxation of land owned by a building society shall be phased in over a period of 3 years so that the amount payable for the year commencing on 1 January 1986 shall be reduced by two-thirds and the amount payable for the year commencing on 1 January 1987 shall be reduced by one-third.

Schedule 1 (7) makes a consequential amendment.

Schedule 1 (8) removes a liability to double taxation in respect of the liability to taxation under the Principal Act of a person who is a joint owner of property, part of which comprises the principal place of residence of another joint owner, but no part of which comprises the principal place of residence of the person.

