



## Land Tax

Queenslanders are not liable to pay land tax on land, or part of the land, that they use as their home. Land tax is only payable when the total taxable value of an owner's investment or commercial property landholdings exceeds the relevant tax-free threshold. The current land tax arrangements that are in place for many Queenslanders with investment or commercial properties remain unchanged following the 2019-20 State Budget.

### No Change For 2019-20

#### ⊕ Resident individuals

If an individual uses the land they own as their home, then NO land tax applies to the land.

Where an individual owns other land (e.g. an investment property), then land tax may apply if the total taxable value of the non-exempt land is over the tax-free threshold. The rates of tax for resident individuals (which are unchanged) are set out below:

Total Taxable Value	Rate of tax
Less than \$600,000	\$0
\$600,000 or more but less than \$1,000,000	\$500 plus 1 cent for each \$1 more than \$600,000
\$1,000,000 or more but less than \$3,000,000	\$4,500 plus 1.65 cents for each \$1 more than \$1,000,000
\$3,000,000 or more but less than \$5,000,000	\$37,500 plus 1.25 cents for each \$1 more than \$3,000,000
\$5,000,000 or more but less than \$10,000,000	\$62,500 plus 1.75 cents for each \$1 more than \$5,000,000
\$10,000,000 or more	\$150,000 plus 2.25 cents for each \$1 more than \$10,000,000

The home exemption also applies to land owned by a trustee of a family trust. Where all of the beneficiaries of the family trust use the land as their home, NO Land Tax applies.

#### ⊕ Companies and trustees with landholdings of \$5,000,000 or less

There are no changes to the land tax rates for companies and trustees that have landholdings with a total taxable value of \$5,000,000 or less. However, from 30 June 2019, a land tax surcharge will apply to foreign companies and trustees of foreign trusts that are subject to land tax (see below).

## Land Tax

### Changes To Apply From 30 June 2019

⊕ **Companies and trustees with landholdings of more than \$5,000,000 but \$10,000,000 or less**

The land tax rates will increase from 2% to 2.25% from 30 June 2019.

⊕ **Companies and trustees with landholdings of more than \$10,000,000**

The land tax rates will increase from 2.5% to 2.75% from 30 June 2019.

The table below sets out the new land tax rates for companies and trustees:

#### Companies and Trustees

Total taxable value	Rate of tax
less than \$350,000	0
\$350,000 or more but less than \$2,249,999	\$1,450 plus 1.7 cents for each \$1 more than \$350,000
\$2,250,000 or more but less than \$5,000,000	\$33,750 plus 1.5 cents for each \$1 more than \$2,250,000
\$5,000,000 or more but less than \$10,000,000	\$75,000 plus 2.25 cents for each \$1 more than \$5,000,000
\$10,000,000 or more	\$187,500 plus 2.75 cents for each \$1 more than \$10,000,000

⊕ **Changes for Australian citizens and Australian permanent residents living overseas, absentees, foreign companies and trustees of foreign trusts**

⊕ **Australian citizens and Australian permanent residents living overseas to be assessed as resident individuals**

From 30 June 2019, Australian citizens and Australian permanent residents holding permanent visas living, working or travelling overseas for an extended period will no longer be assessed as absentees.

This means for land tax assessed from the 2019-20 financial year onwards, they will benefit from the higher tax-free threshold and lower rates of tax that currently only apply to resident individuals. They will also not have to pay the absentee surcharge. This change brings Queensland into line with other major Australian States.

⊕ **Increase in absentee surcharge**

From 30 June 2019, the absentee surcharge will increase from 1.5% to 2%.

The increased surcharge will apply to foreign individuals who own land and do not ordinarily reside in Australia. As mentioned above, Australian citizens and Australian permanent residents holding permanent visas living overseas will not have to pay the absentee surcharge from the 2019-20 financial year onwards. Foreign individuals who own land and live in Australia will continue to be assessed as resident individuals, according to the tax-free threshold and land tax rates above (see 'Resident individuals').

⊕ **Introduction of foreign surcharge for foreign corporations and trustees of foreign trusts**

From 30 June 2019, a new land tax foreign surcharge of 2% will apply to foreign companies and trustees of foreign trusts that own land.

The surcharge will apply to the portion of the taxable value of the taxable land that is equal to or greater than \$350,000. For foreign companies and trustees of foreign trusts that have landholdings with a taxable value of more than \$5,000,000, the surcharge will apply in addition to the land tax rate increases applying to companies and trustees generally.