

First Home Buyer Duty Concession Established Dwellings

Guideline

2007

Background

With effect from 20 May 2004, the Tasmanian Government introduced a First Home Buyer's Duty Concession (concession) for the purchase of established dwellings and vacant land where that land was purchased for the purpose of building a first home.

This guideline deals with the concession as it relates to established dwellings. If you have purchased vacant land please refer to Public Guideline: "First Home Buyer Duty Concession – Vacant Land".

Eligibility

Eligibility for the concession is determined as follows:

- the purchaser must be entitled to a first home owner grant (FHOG) under section 7 of the *First Home Owner Grant Act 2000* for a transaction that is eligible under section 13(1)(a) of that Act relating to entering into a contract to purchase a home; and
- the dutiable transaction (Agreement for Sale) was entered into on or after 20 May 2004; and
- the dutiable value of the property to which the grant relates cannot exceed \$350 000.

Amount of the duty concession

The concession available is capped at a maximum of \$4 000.

That is, if the duty payable is \$4 000 or less the concession will equal the duty payable. In this case the applicant will not pay any duty.

However, if the duty is more than \$4 000 the concession will be \$4 000 and the applicant will need to pay any additional duty over \$4 000.

Claiming the concession

To apply for the Duty Concession you must first apply for the FHOG. Each FHOG application is allocated a Unique Identification Number (UIN). This identifier is located on the FHOG approval letter that issues to you from this Office.

There is no formal application form to be completed to claim a duty concession. It is usual practice for your Financial Institution or Solicitor/Licensed Conveyancer to claim the concession on your behalf at the time the Transfer/Agreement for Sale is assessed for duty.

This way an approved FHOG applicant will receive the benefit of the duty concession upfront and remove or limit the amount of duty payable on the Transfer/Agreement for Sale.

The manner in which a duty concession is claimed will depend on how an applicant lodges the FHOG application (as follows).

FHOG Application lodged through a Financial Institution

Where the FHOG application is lodged by a financial institution (FI) the concession is usually claimed by the FI on the applicant's behalf at the time the FI arranges for the assessment of the duty payable on the Transfer/Agreement for Sale.

This usually occurs after the settlement of the purchase of the property and before the Transfer document is lodged for registration at the Land Titles Office.

If you are uncertain as to whether the FI will claim the concession on your behalf you should direct any queries to the FI before the settlement of the purchase takes place.

FHOG Application lodged through a Solicitor or Licensed Conveyancer.

If a Solicitor or Licensed Conveyancer lodges a FHOG application on behalf of a client, arrangements to claim the concession are usually made by the Solicitor/Licensed Conveyancer.

When finalising settlement figures for the purchase of the property an applicant needs to ensure that the Solicitor/Licensed Conveyancer is aware of the UIN.

Any queries should be directed to the Solicitor/Licensed Conveyancer.

FHOG application lodged by the applicant via Service Tasmania or to this Office

If you are acting on your own behalf in the purchase of your home, you should lodge the Transfer/Agreement for Sale to which the concession is to apply, with this Office for assessment of duty, together with details of the UIN. This would usually happen after settlement of the purchase.

When duty has already been paid and a refund is required

On most occasions, the concession for established dwellings is applied at the time the Transfer/Agreement for Sale is assessed.

However, there may be occasions where this does not occur and the full amount of duty is assessed and paid by the purchaser.

If you are eligible for the concession but have not received it then you may apply to the SRO for a refund.

All requests for a refund are to be submitted in writing and must include details of your UIN. Also where appropriate, the original stamped agreement for sale should be supplied.

Enquiries:

Telephone: (03) 6233 3722 If you are a Tas subscriber outside the 62 area call 1800 001 388

Facsimile: (03) 6234 3357

E-mail: dutyhelp@treasury.tas.gov.au

Internet: www.sro.tas.gov.au

By Correspondence:

The Commissioner of State Revenue, State Revenue Office
GPO Box 1374, HOBART Tas 7001

In Person: 4th Floor, 80 Elizabeth Street, Hobart

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