

Information Circular No: 66

First Home and Housing Construction Grants Act 2000

First Home and Housing Construction Grants (Eligibility Criteria) Amendment Act 2013

Issued 5 December 2013

Background

Under the *First Home and Housing Construction Grants Act 2000* (the “Act”) only one Housing Construction Grant (HCG) is payable in relation to a particular new home.

However, in many cases, both the person who has built the home on their land (including an owner builder) and a subsequent purchaser of the same home may be eligible for the HCG, giving rise to two potentially valid applications for the HCG.

The *First Home and Housing Construction Grants (Eligibility Criteria) Amendment Act 2013* (the “Amending Act”), which gives effect to the Government’s policy regarding the payment of the HCG in the case of competing applications, was assented to by His Excellency the Governor today.

Discussion

The Amending Act adjusts the eligibility criteria for the HCG, to ensure that the Government’s policy of providing the HCG to purchasers of new homes is achieved where other parties may also be eligible.

In order to receive the HCG, an applicant who is an owner builder or who has entered into a comprehensive home building contract (which term includes builders and developers) must satisfy the Commissioner of State Taxation (the “Commissioner”) that he or she has not entered into a contract with a person to sell the new home, and that he or she has no intention of entering into a contract for the sale of the new home before 1 January 2014.

Agreement Between the Parties

The amendments do however allow the parties to a transaction to agree between themselves in writing as to who should be paid the HCG.

Where the parties have agreed in writing that the purchaser will not apply for the HCG, the Commissioner will allow the owner builder, builder or developer to claim or retain the HCG.

Repayments

The Amending Act also inserts provisions into the Act which allow the Commissioner to require repayment of the HCG in circumstances where an owner builder, builder or developer receives the HCG (the “first grant recipient”) and subsequently enters into a contract for the sale of the new home, prior to 1 January 2014, and the purchaser makes an application for the HCG.

In circumstances where the Commissioner requires the first grant recipient to repay the HCG, the first grant recipient must also pay the Commissioner an additional amount equal to the amount of the HCG paid.

The additional amount will not be required to be paid where the Commissioner is satisfied that the first grant recipient genuinely changed his or her intention about not entering into a contract for the sale of the new home due to extraordinary and unforeseen circumstances occurring after the HCG was paid to the first grant recipient.

Penalties may also apply.

Mike Walker
COMMISSIONER OF STATE TAXATION

5 December 2013

Further Information

Further information relating to the HCG, including the eligibility requirements, is outlined in [Information Circular 51](#) and on www.revenuesa.sa.gov.au.

If you are unsure about any aspect concerning your eligibility, it is important that you contact RevenueSA for clarification before proceeding with your application.

Further information can be obtained from RevenueSA.

Location	RevenueSA State Administration Centre 200 Victoria Square East ADELAIDE SA 5000
Postal	Commissioner of State Taxation RevenueSA GPO Box 1353 ADELAIDE SA 5001
Telephone	(08) 8226 3750
Facsimile	(08) 8226 3737
Email	fhog.support@sa.gov.au
Website	www.revenuesa.sa.gov.au