

Information Circular No: 69

State Budget 2014-15

Issued 19 June 2014

Background

The following taxation measures were announced by the Government as part of the 2014-15 State Budget handed down today, 19 June 2014:

1. Introduction of the Transport Development Levy (TDL).
2. Introduction of a \$8500 Seniors Housing Grant (SHG) for new homes where contracts are entered into between 1 July 2014 and 30 June 2016 inclusive.
3. Removal of general remissions on the fixed property Emergency Services Levy (ESL) from 1 July 2014 for most property owners but not for eligible pensioners and concession card holders.
4. Amendment of the eligibility criteria for the \$46 concession on the fixed property ESL provided to eligible pensioners and concession card holders from 1 July 2014;
5. Removal of general remissions on the mobile property ESL for cars, motorcycles, historic and left-hand vehicles from 1 August 2014.

The legislative amendments to implement the first two measures above are contained in the *Budget Measures Bill 2014* (the "Bill") which was introduced into Parliament today. The operation of these measures is subject to the Bill coming into force as an Act.

1. TRANSPORT DEVELOPMENT LEVY

As part of the 2012-13 Mid-Year Budget Review, the Government announced the introduction of a TDL which will be levied on certain car park spaces in the Adelaide central business district with effect from 1 July 2014.

The Bill contains the provisions necessary to introduce the TDL.

Further information in relation to the TDL is available on www.revenuesa.sa.gov.au.

2. SENIORS HOUSING GRANT

On 22 February 2014, the Government announced that if re-elected, it would introduce an \$8500 grant for persons 60 years of age and over who purchase a new home to live in. The grant is subject to conditions.

At least one applicant for the SHG is required to be 60 years or over and occupy the new home as their principal place of residence for a continuous period of at least six months commencing within 12 months after completion of the eligible transaction.

The SHG applies to building contracts and contracts for the purchase of a new home entered into between 1 July 2014 and 30 June 2016 (inclusive) or, in the case of owner builders, where construction of the new home commences between 1 July 2014 and 30 June 2016 (inclusive).

For eligible transactions, the SHG is \$8500 in relation to new homes where the market value does not exceed \$400 000. The SHG phases out for new homes with a market value between \$400 000 and \$450 000 at a rate of \$17 for every \$100 in excess of \$400 000.

In the event that applications for the SHG are received between 1 July 2014 and the day on which the provisions of the Bill come into force as legislation, the grants will be paid by way of *ex gratia* payment.

Transitional provisions in the Bill will prevent applicants receiving a SHG more than once for the same transaction.

Further information in relation to the SHG is available on www.revenuesa.sa.gov.au

3. EMERGENCY SERVICES LEVY

The State Budget also includes the following measures in relation to the ESL:

- ▶ the removal of general remissions on the fixed property ESL from 1 July 2014 for most property owners but not for eligible pensioners and concession card holders;
- ▶ amended eligibility criteria for the \$46 concession on the fixed property ESL provided to pensioners and concession card holders from 1 July 2014; and
- ▶ the removal of general remissions on the mobile property ESL for cars, motorcycles and historic vehicles from 1 August 2014.

Eligible pensioners and concession card holders are exempt from changes to the fixed property ESL but only in relation to their principal place of residence.

Holders of a State Senior Card however will no longer be eligible to obtain any remissions or concessions from the fixed property ESL.

Removal of general remissions for fixed property ESL

General remissions provided on the fixed property ESL will be removed from 1 July 2014 for most property owners.

The general remission is now only available on a principal place of residence for certain pensioners and concession card holders. The eligibility criteria are the same as the new criteria for the \$46 concession.

Amended eligibility criteria for the \$46 concession

The government currently provides eligible pensioners and concession card holders with a concession of up to \$46 on the fixed property ESL relating to the principal place of residence of the eligible recipient.

From 1 July 2014, the criteria for obtaining the concession of up to \$46 have been amended.

Holding a State Senior Card will no longer entitle a person to obtain the \$46 concession.

Eligibility Criteria for ESL Remissions/Concession

If you hold one of the cards or receive one of the benefit/allowance types listed below you will be eligible for the general remission and the additional \$46 concession:

- ▶ Pensioners:
 - Pensioner Concession Card
 - Department of Veterans' Affairs Gold Repatriation Health Card (TPI, EDA and War Widows only)
 - War Widows pension from the United Kingdom or New Zealand
- ▶ Beneficiaries of the following Centrelink allowances:
 - Austudy or Abstudy
 - Newstart
 - Sickness Allowance
 - Widow Allowance
 - Special Benefit
 - Youth Allowance
 - Partner Allowance
 - Parenting Payment Partnered allowance
 - Bereavement Allowance
 - CDEP (Community Development Employment Project) Allowance
 - NEIS (New Enterprise Incentive Scheme) payment
 - Exceptional Circumstances payments
- ▶ A holder of a State Concession Card issued by the administrative unit that is responsible for the administration of the *Family and Community Services Act 1972*.
- ▶ A holder of a Low Income Health Care Card issued by the Commonwealth Government.
- ▶ A holder of a Commonwealth Senior Health Card.

As stated above this list does not include holders of State Seniors cards.

The general remission and \$46 concession is available on only one property per person, married couple or domestic partnership and must constitute the persons/ couples/ partners' principal place of residence. Two or more persons owning land jointly or as tenants in common (other than a married couple or a domestic partnership) are each eligible for a part remission, proportionate to his or her interest in their principal place of residence.

Removal of general remissions on mobile property ESL

General remissions provided on the mobile property ESL will be removed from 1 August 2014.

Remissions provided for recreational boats, caravans and trailers, and primary production vehicles will remain and are not affected by this measure.

Transitional arrangements

RevenueSA's existing ESL database does not contain information regarding who holds a Commonwealth Senior Health Card. RevenueSA is currently in the process of obtaining that information. Accordingly, if a vendor that holds a Commonwealth Senior Health Card sells their property after the 1 July 2014 but before that information is obtained, the ESL liability showing on an ESL Certificate may not be accurate. If the vendor of a property holds a Commonwealth Senior Health Card, please write to RevenueSA requesting an updated ESL Certificate and enclose a certified photocopy of the Commonwealth Senior Health Card.

Regulations

The *Subordinate Legislation Act 1978* provides for the automatic revocation of subordinate legislation. Pursuant to these provisions, the *Emergency Services Funding (Remissions—Land) Regulations 2000* and the *Emergency Services Funding (Remissions—Motor Vehicles and Vessels) Regulations 2000* are due to expire on 1 September 2014. These Regulations are being remade as part of the State Budget announcements.

Replacement regulations, the *Emergency Services Funding (Remissions-Land) Regulations 2014* and the *Emergency Services Funding (Remissions-Motor Vehicles and Vessels) Regulations 2014* will give effect to the above- mentioned ESL amendments.

Further information in relation to the emergency services levy amendments is available on www.revenuesa.sa.gov.au.

Mike Walker
COMMISSIONER OF STATE TAXATION

19 June 2014

Further Information

Further information in relation to any of the above taxation measures can be obtained from RevenueSA.

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| Postal | Commissioner of State Taxation RevenueSA GPO Box 1353 ADELAIDE SA 5001 | Facsimile | (08) 8226 3805 (TDL) (08) 8226 3737 (SHG) (08) 8207 2100 (ESL) | Website | www.revenuesa.sa.gov.au |