

# Revenue Ruling

*First Home and Housing Construction Grants Act 2000*

FHOG003

## EX GRATIA SCHEME FOR THE PROVISION OF THE HOUSING CONSTRUCTION GRANT FOR NEW HOMES IN RESIDENTIAL PARKS

### Background

The *First Home Housing and Construction Grants Act 2000* (the "Act") provides for a number of house purchase assistance measures, including the Housing Construction Grant (HCG).

The HCG was introduced on 15 October 2012 to provide an urgent boost to the State's housing construction industry and help stimulate the property sector. It was intended that all eligible new homes valued up to \$450 000 would receive the HCG.

### Discussion

A HCG is available in relation to the following new home transactions:

- ▶ a contract for the purchase of a new home; or
- ▶ a comprehensive home building contract for a new home; or
- ▶ the building of a new home by an owner builder.

In all cases the Act requires that the applicant be the owner of the land on which the home is built in order to access the HCG.

Due to the structure of transactions when new homes are built in caravan parks and relocatable home parks (commonly referred to as residential parks), the HCG is not available for these transactions.

In view of the underlying policy for the HCG being to encourage the construction of new homes, the Treasurer has approved an *ex gratia* scheme whereby new homes constructed and permanently affixed on land in caravan and relocatable home parks will be eligible for *ex gratia* relief payments.

The relief will also be available to applicants who purchase new transportable homes which are permanently affixed on land in residential parks.

The relief does not extend to caravans placed on land in residential parks.

Relief will only be available where a building or purchase contract in relation to a new home is entered into between 15 October 2012 and 31 December 2013 and the HCG is otherwise not available.

Subject to the exception below, and unless agreed otherwise between the parties in writing, relief will be paid to the resident or prospective resident who has entered

into a contract to purchase the relevant new home between 15 October 2012 and 31 December 2013.

Relief will be payable to the owner of the residential park where the Commissioner is satisfied that the eligible relevant home has not been on-sold to a resident or prospective resident of the residential park under a contract entered into between 15 October 2012 and 31 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](http://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.

Applications for an *ex gratia* HCG payment should be made directly with RevenueSA.

This Revenue Ruling applies to all otherwise eligible transactions entered into between 15 October 2012 and 31 December 2013 (inclusive).

Further information can be obtained from RevenueSA.

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<b>Website</b>	<a href="http://www.revenuesa.sa.gov.au">www.revenuesa.sa.gov.au</a>

### History

This Revenue Ruling is effective from 8 November 2013.

This is the first Revenue Ruling issued on this topic.

Mike Walker  
COMMISSIONER OF STATE TAXATION

8 November 2013

*Revenue Rulings do not have the force of law.*