

# COMMISSIONER'S PRACTICE LT 7.1

## LAND TAX – EXEMPTION FOR TRUST PROPERTY USED BY DISABLED BENEFICIARY

### **Commissioner's Practice History**

Commissioner's Practice	Issued	Dates of effect	
		From	То
LT 7.0	29 October 2003	29 October 2003	30 June 2008
LT 7.1	12 November 2010	1 July 2008	25 February 2016

This Commissioner's practice addresses the circumstances when the Commissioner will grant an exemption from land tax on private residential land held in trust for a disabled beneficiary.

### Background

Section 26 of the Land Tax Assessment Act 2002 ("the Act") provides that private residential property held in trust is exempt for an assessment year if at midnight on 30 June in the financial year before the assessment year:

- the land is owned by a trustee who holds the land in trust for one or more disabled beneficiaries; and
- at least one disabled beneficiary of the trust uses the property as his or her primary residence.

The term "disabled beneficiary" is defined in the Glossary to the Act as a person who:

- is qualified for a disability support pension under the *Social Security Act 1991* (Commonwealth) ("the SSA") Part 2.3 (whether or not the person receives that pension); or
- is under 16 years of age and is cared for by a parent or guardian, within the meaning given in the SSA, who is qualified for a carer payment under Part 2.5 of that Act in respect of that care (whether or not the person receives that payment); or

• is a minor, who is an orphan.

#### **Commissioner's Practice**

- 1. In order to grant an exemption, the Commissioner needs to be satisfied that:
  - 1.1 a trust exists and the person residing on the land is a beneficiary of that trust;
  - 1.2 the property was purchased as an asset of the trust; and
  - 1.3 the beneficiary is a disabled beneficiary.
- 2. The following documents must be sighted:
  - 2.1 a copy of the trust deed;
  - 2.2 a duty endorsed copy of the offer and acceptance or contract of sale showing that the trustee purchased the property on behalf of the trust; and
  - 2.3 a copy of a Pensioner Concession Card or a letter issued by Centrelink stating that the person is:
    - 2.3.1 qualified for a disability support pension under the SSA Part 2.3; or
    - 2.3.2 under 16 years of age and is cared for by a guardian or parent within the meaning of the SSA and who is qualified for a carer payment under Part 2.5 of that Act in respect of the care.
- 3. The Commissioner may seek further documentation, information and corroboration in relation to any application for exemption under these provisions.

#### Date of Effect

This Commissioner's practice takes effect from 1 July 2008.

Bill Sullivan COMMISSIONER OF STATE REVENUE

12 November 2010