

COVID-19 (coronavirus) and land tax

 revenue.nsw.gov.au/news-media-releases/covid-19-tax-relief-measures/covid-19-coronavirus-and-land-tax

The NSW Government is introducing measures to help commercial and residential landlords manage their rental properties.

Support package

The support package includes a reduction of up to 25 per cent of the land tax payable on a parcel of land in the 2020 land tax year. It's available when:

- your land is used for business or residential purposes
- you're leasing property on that parcel to a residential tenant – or a business tenant with annual turnover of up to \$50 million - who can demonstrate financial distress resulting from the COVID-19 outbreak
- you reduce the rent of the affected tenant by at least as much as the tax reduction
- the land tax is directly related to the property for which rent has been reduced.

Financial distress is considered to be:

- for commercial tenants - a 30 per cent drop in revenue due to COVID-19 pandemic
- for residential tenants - a 25 per cent drop in household income due to COVID-19.

Who's eligible

To be eligible for the land tax support package, you must have a land tax liability in 2020.

You must also meet the requirements outlined in the support package, namely:

- your tenant is suffering from financial distress as a result of COVID-19
- you have reduced the rent of the affected tenant by at least as much as the tax reduction.

If you're a landlord who doesn't have a 2020 land tax liability, refer to the Service NSW website, which provides a number of NSW Government support options you may be eligible for.

How to apply

We're currently streamlining the application process to make it easy to apply for this reduction.

We will notify you as soon as the application process becomes available.

At this time, we're unable to provide specific information regarding documents to provide if you wish to apply for the reduction, however the documents would need to show your tenant is in financial distress as a result of COVID-19.

Supporting documents may include BAS statements, or a letter from an accountant.

We may also require evidence that the lease was reduced in response to this financial distress, such as copies of old and new tenancy/lease agreements that indicate rent reduction.

How the reduction is calculated

The reduction only applies to the affected properties. It's directly related to the property for which the rent reduction applies.

Get a refund

We'll not provide a full refund of land tax. However, eligible landowners can apply for the land tax reduction via refund.

The amount of the reduction is the amount that may be refunded.

Instalment plan

In addition to these measures, there are several options available to you, such as extending deadlines for payments and getting leniency for late payment.

Apply for an instalment plan.

If the instalment plan can't be approved online, we'll contact you.

If you pay by instalments, you're not entitled to the land tax discount.

Foreign person

If you're not a permanent resident of Australia and, due to the pandemic, can't return to Australia to meet the 200-day residency requirement, you can't be deemed an ordinarily resident. Foreign surcharge still applies.

Building a home

If you're building a home and have been granted an exemption from land tax, the exemption can't be extended beyond four tax years, even if the pandemic has delayed construction.

The NSW Government has announced other tax relief measures as part of its economic package to help businesses impacted by COVID-19.