

29 April 2020



RevenueSA

DEPARTMENT OF TREASURY AND FINANCE

ABN 19 040 349 865



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Action requested by 03 June 2020

Dear Property Owner

SOUTH AUSTRALIAN LAND TAX CHANGES 2020-21

Ownership Number: 71171536

Changes to the *Land Tax Act 1936* come into effect on 30 June 2020, including lower tax rates, the introduction of new land tax aggregation provisions, a different rate of tax for land held in trust and grouping provisions for related corporations. These changes mean that all owners of land may need to provide information to RevenueSA, even where this was not previously required.

RevenueSA has identified land that you may have an interest in and corporations that may be related to you, noting that this information is based on data available as at 11 April 2020. **You are required to confirm this information.**

Each individual corporation that has been identified as related to you will receive a letter asking them to confirm their own land holdings and trust information, however you have been selected to confirm the group of related corporations on behalf of the whole group based on the most recent registered Australian Company Number (ACN). If you think there is another corporation in the group that is better placed to complete this task, you will be able to assign the task to them when you login to RevenueSA Online.

What you need to do

You need to login to the RevenueSA Online portal (instructions over the page) and take the following actions to provide the required information:

1. On behalf of your group, review the related corporations who have been identified by:
 - o nominating a different corporation to complete the review of the group;
 - o confirming that all related corporations have been included;
 - o adding any related corporations that have not been included; or
 - o advising where we have included related corporations incorrectly.
2. Review the land you have been identified as the owner of, by:
 - o confirming that all your land has been included;
 - o adding any land you own that has not been included;
 - o advising where we have included land incorrectly;
 - o advising of any land that you own as trustee of a trust (which may include advising of beneficiaries).
3. Confirm or modify the billing address and preferred billing method of your ownership (which may be different to the address on this letter).



Do you own land as trustee?

If you own land in the capacity as a trustee of a trust, you need to review the enclosed information sheet which explains the changes for trusts, including the various obligations for trustees. Please read this before logging into the RevenueSA Online portal.

Some information to assist you in logging into RevenueSA Online

RevenueSA Online should be accessed on your computer or tablet, this system is not designed for use on mobile phones. Please log in to provide the information by **03 June 2020** to allow us time to process your information and request additional information, if required. Following are the steps to assist if you are a new user (you will be required to register first) or steps to take if you are an existing user.

Steps for Registering – New User:

- 1) Visit www.revenuesa.sa.gov.au
- 2) The home page will have two buttons in the top right hand corner: **New User** and **Existing User**.
- 3) Click on the **New User button** and follow the prompts to register.
- 4) Once you are registered with your email, you will be taken to the login page.
- 5) After login, you will be taken to the Registration screen where you will enter your Registration ID which appears below.
- 6) You will then be prompted through the process to provide information.

Steps for Existing User:

- 1) Visit www.revenuesa.sa.gov.au
- 2) The home page will have two buttons in the top right hand corner: **New User** and **Existing User**.
- 3) Click on the **Existing User button**.
- 4) After login, you will be taken to the Registration screen where you will enter your Registration ID which appears below
- 5) You will then be prompted through the process to provide information.

Additional information to assist you is available on the website.

REGISTRATION ID	9912685190
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What happens if you do not login to RevenueSA Online and provide the required information?

If you do not login and review your land holdings, notify RevenueSA that you own land as trustee of a trust, or confirm your group of related corporations, you may receive an incorrect land tax assessment.

Any tax default that arises from your failure to provide the information requested in RevenueSA Online by **31 July 2020** (excluding nominating beneficiaries) may result in interest and penalty tax being applied to a land tax assessment.

What to do if you don't have access to a computer.

If you don't have access to a computer or someone that can provide assistance, please contact RevenueSA on (08) 8226 3750 (select option 2) and we will assist you with the process.

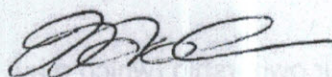
Interpreter Services

RevenueSA is committed to helping you in your own language. Please contact us on (08) 8226 3750 (select option 2) and we will arrange for the Interpreting and Translating Centre to be made available to you at an agreed time.

Need to know more?

For full details of the land tax changes, including details of the grouping provisions, visit our webpage www.revenuesa.sa.gov.au/LandTaxChanges or call (08) 8226 3750 (select option 2).

Yours faithfully



COMMISSIONER OF STATE TAXATION

2020-21 LAND TAX INFORMATION FOR TRUSTS

Changes to the thresholds and rates of land tax will occur from **30 June 2020**. A new separate scale of land tax for trusts will include a surcharge rate and a lower tax free threshold.

All notifications regarding trusts must be provided through the RevenueSA Online portal at:

www.revenuesa.sa.gov.au

For the purposes of this information sheet, a reference to a beneficiary includes (i) unit holders of a unit trust and (ii) multiple beneficiaries, unless otherwise advised.

WHAT TRUSTS ARE NOT LIABLE TO THE TRUST RATES?

Some trusts, for example, charitable, concessional, administration or superannuation trusts are not liable to the trust rates. For a full list of trusts that are not liable to the trust rates, and the provisions relating to them, visit:

www.revenuesa.sa.gov.au/LandTaxChanges.

IS TRUST LAND ASSESSED SEPARATELY?

Where a person, association or corporation is the owner of land as trustee for a trust, the land held in trust is not combined with any land owned by the trustee in their own right or as trustee of another trust and is assessed separately (see immediately following discussion on where land owned by a corporate trustee may be aggregated).

GROUPING OF LAND HELD ON TRUST

If a corporation (or related corporations together) owns more than 50% of the beneficial interests in a fixed or unit trust with a corporate trustee, the corporations will be grouped and assessed jointly at the general land tax rates.

HOW WILL THE TRUST RATES APPLY?

Land tax trust rates will apply to land owned on trust with a combined site value greater than \$25 000, where a beneficiary has not been notified. The trust rate incorporates a surcharge of up to 0.5% on the general land tax rates for total land holdings valued below the top marginal tax threshold.

WHEN DO I HAVE TO NOTIFY ABOUT A TRUST?

Other than where the land has been excepted or exempted from land tax, a trustee who owns land on trust as at 30 June 2020, must notify RevenueSA of that trust by 31 July 2020. Any new land purchased on trust or changes to an existing trust must also be notified within one month of the purchase or change.

WHAT HAPPENS IF I NOMINATE A BENEFICIARY?

A trustee that owns land as trustee of a trust can notify RevenueSA that a beneficiary is the nominated owner of that land for land tax purposes (see below for certain requirements). If a beneficiary is nominated, the trustee will not be liable for land tax at the trust rates, with the nominated beneficiary's interest in the land being assessed and aggregated with any other interests in land that they own in their own right.

HOW MANY BENEFICIARIES CAN BE NOMINATED?

A discretionary trust can only have **one** person who is the designated beneficiary. A designated beneficiary must:

- be a natural person;
- be a beneficiary as at midnight 16 October 2019;
- be over 18 years of age; and
- have verified by statutory declaration that they consent to being the designated beneficiary.

If a trustee nominates the beneficiaries of a fixed or unit trust, then all the beneficiaries must be notified.

TIMEFRAME TO NOMINATE A BENEFICIARY?

A trustee can nominate the designated beneficiary of a discretionary trust no later than **30 June 2021**. After this date, a trustee will not be able to nominate a designated beneficiary (however, in limited circumstances, a designated beneficiary may be substituted, as discussed further below). Nomination of a beneficiary can be completed via the RevenueSA Online portal which will take you through the process.

A trustee of a fixed or unit trust can nominate a beneficiary at any time and must notify RevenueSA anytime there is a change to a beneficiary.

If a nomination is made during the 2020-21 financial year, a trustee can elect if the nomination will take effect from 2020-21 or 2021-22.

CAN I CHANGE THE DESIGNATED BENEFICIARY OF A DISCRETIONARY TRUST?

A designated beneficiary can only be substituted if the designated beneficiary dies, becomes incapacitated, or if the Commissioner of State Taxation is satisfied that due to the irretrievable break down of a marriage, de facto or domestic relationship, the designated beneficiary will no longer be a beneficiary of the trust.

WHAT IF I DON'T NOMINATE A BENEFICIARY?

If a trustee of a trust does not nominate a beneficiary, the land owned on trust will be liable to the trust rates.

WHAT IF I WANT TO WITHDRAW A NOTIFIED BENEFICIARY?

A trustee or the beneficiary can withdraw the nominated beneficiary at any time and the land will become liable to the trust rates. Once withdrawn, a trustee cannot nominate another beneficiary in relation to the same trust.

WILL EXISTING EXEMPTIONS BE MAINTAINED?

All existing land tax exemptions will be maintained. The exemptions for principal place of residence on land held in trust have been expanded.

PENALTY FOR FALSE OR MISLEADING INFORMATION

Interest and penalty tax may apply in circumstances where false, misleading or incomplete information has been provided to the Commissioner; or information that should have been provided has not been so provided.

NEED MORE INFORMATION?

For any further information regarding the land tax changes please visit:
www.revenuesa.sa.gov.au/LandTaxChanges.

