



Treasurer of New South Wales  
Australia

## MEDIA RELEASE

6 April 2004

### STAMP DUTY CHANGES

#### FIRST HOME BUYERS

**\*First Home Plus**, the NSW Government's stamp duty scheme for first home buyers, will be extended so that **no stamp duty will be paid by first home buyers on homes of up to \$500,000, with a phase-out of the benefit between \$500,000 and \$600,000.**

**This initiative will save first home buyers up to \$18,000 in stamp duty. Combined with the Commonwealth-State first home owners grant, of \$7,000, this means that first home buyers can gain benefits of up to \$25,000.**

The current distinction in benefits applying to Sydney metropolitan and regional first home buyers will be abolished. The new concessions will be available equally to first home buyers anywhere in New South Wales.

First home buyers purchasing vacant residential land will pay no stamp duty on land valued up to \$300,000, with a phase-out of the benefit on land valued from \$300,000 to \$450,000.

Legislation will be introduced in May but the benefits will be available to all eligible first home buyers who have entered a contract after midnight last Saturday.

#### INVESTMENT PROPERTY OWNERS

**\*Owners of investment property** will pay a stamp duty of 2.25 per cent upon the value of the property **when it is sold**. This measure does not apply to a person's principal place of residence or to farms. To ensure that only property profits are being taxed, properties will be exempt from the duty in cases where the vendor's sale price does not exceed 12 per cent of their original purchase price.

Legislation for this new duty will be introduced in May and will apply no later than 1 July.

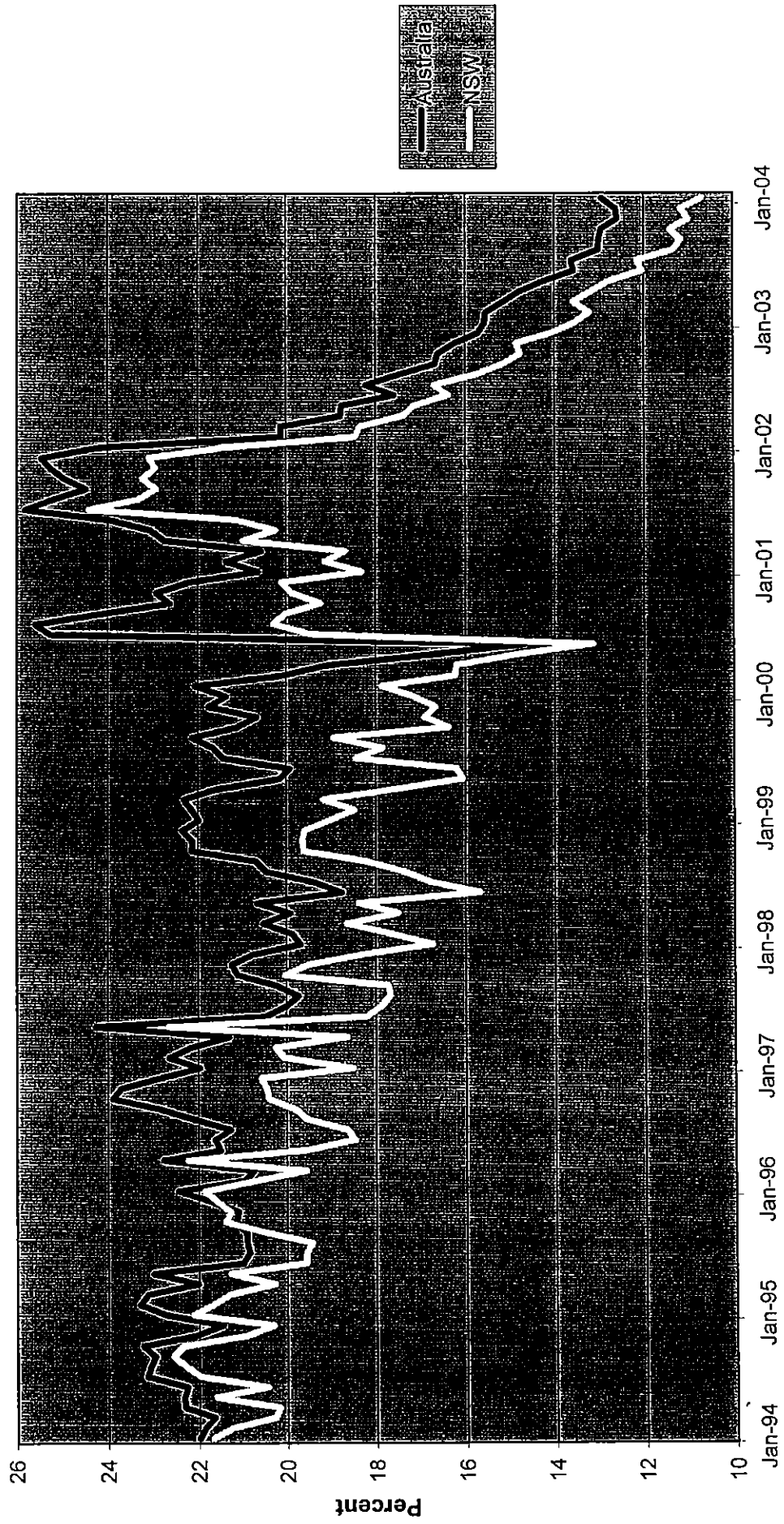
#### PREMIUM PROPERTY TAX

**\*Currently a tax applied to owners of homes with a land value of \$1.97 million or more, this arrangement will be abolished and in future the Premium Property Tax will be applied as a marginal stamp duty rate of 7 per cent on that part of the value of the property that exceeds \$3 million.**

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# First Home Ownership Trend

Source ABS Catalog 5609.0



**Table 1: Benefits to First Home Buyers of Metropolitan Dwellings under the new First Home Plus Scheme**

Dwelling	Transfer Duty Payable (no concession)	Transfer Duty Concession FH+ (old)	Transfer Duty Concession FH+ (new)	FHOG	Total (new +FHOG)
100,000	1990	1990	1990	7000	8990
200,000	5490	5490	5490	7000	12490
300,000	8990	0	8990	7000	15990
400,000	13490	0	13490	7000	20490
500,000	17990	0	17990	7000	24990
600,000	22490	0	0	7000	7000

**Table 2: Benefits to First Home Buyers of Country Dwellings under the new First Home Plus Scheme**

Dwelling	Transfer Duty Payable (no concession)	Transfer Duty Concession FH+ (old)	Transfer Duty Concession FH+ (new)	FHOG	Total (new +FHOG)
100,000	1990	1990	1990	7000	8990
150,000	3740	3740	3740	7000	10740
200,000	5490	2415	5490	7000	12490
300,000	8990	0	8990	7000	15990
400,000	13490	0	13490	7000	20490
500,000	17990	0	17990	7000	24990
600,000	22490	0	0	7000	7000

### Transfer duty Paid by First Home Owners

Dwelling Value	NSW	VIC (Must have family)	QLD* (from 1st of May)	WA		SA	TAS	NT	ACT (means tested)
				South 26th Parallel	North 26th Parallel				
100000	0	0	0	1000	1000	1540	2425	0	20
200000	0	7660	0	7280	6780	6830	5675	3159	2182
300000	0	13660	2250	12605	12605	11330	9550	8509	9500
400000	0	19660	6750	18505	18505	16330	13550	15159	15000
500000	0	25660	11250	24405	24405	21330	17550	23109	20500
550000	11245	28660	13125	27555	27555	24080	19550	29700	23375
600000	22490	31660	15000	30705	30705	26830	21550	28760	26250

\* Please note that all Principal places of residences gain a concession in Queensland

### Concession Given to First Home Owners

Dwelling Value	NSW	VIC (Must have family)	QLD* (from 1st of May)	WA		SA	TAS	NT	ACT (means tested)
				South 26th Parallel	North 26th Parallel				
100000	1990	2200	1000	500	500	1290	0	2750	1980
200000	5490	0	2000	0	1000	0	0	3641	3318
300000	8990	0	2000	0	0	0	0	3641	0
400000	13490	0	1000	0	0	0	0	3641	0
500000	17990	0	0	0	0	0	0	3641	0
550000	8995	0	0	0	0	0	0	3641	0
600000	0	0	0	0	0	0	0	3641	0

\* Please note that all Principal places of residences gain a concession in Queensland

## EXEMPTIONS AND PRINCIPAL PLACE OF RESIDENCE TEST

To meet the principal place of residence test, the property must be continuously occupied as a principal place of residence for the two years prior to the sale of the property (Test 1).

Exceptions to the 2 year continuous occupation test will apply:

- a) where the property sold has been owned for less than 2 years and was continuously occupied as a principal place of residence for the period of ownership.
- b) where the vendor acquires a dwelling to become the taxpayer's main residence and the taxpayer sells the previous main residence and within 6 months of the purchase of the new principal place of residence.
- c) where the property has been a principal place of residence (meeting Test 1) but the owner is absent, and the property is subsequently sold without reoccupation, the vacated main residence will qualify as a principal place of residence providing the period of absence is less than 6 years and the vacated property remains the taxpayer's nominated principal place of residence.

For properties that are both principal places of residence and used for running a business, the entitlement to the principal place of residence concession will be pro rated based on usage.

### Exempt Vendors

Vendors who would be exempt from stamp duty as purchasers (eg charities) will be exempt.

### Exempt Transactions

- Transfer of property to a former partner on divorce or break-up of a de facto relationship.
- Foreclosure of mortgage.
- Sale by mortgagee in possession where the property was previously the mortgagor's principal place of residence.
- Inheritance of properties pursuant to a will.