



## Tax issues

This checklist contains the most common taxes and related charges in real estate transactions (or Landholder transactions involving real estate) and is not intended to be exhaustive. It includes links to check details and criteria at the time of publication but you must check the information is current. Ticking a box indicates who is responsible for considering the selected item. Both practitioner and client may be selected, or the line item can be crossed out if clearly not applicable. A column has been included for initial comments. Some example comments have been inserted to highlight issues LPLC has seen in claims. It is recommended that a memorandum be sent to the client after the checklist is completed setting out what was agreed. Also refer to the [LPLC GST checklist](#).

### Warning

**We take the risk of cyber fraud seriously and so should you.** Hackers have impersonated law firms and requested payment via email using their own account details. It is important you take a number of steps to verify any bank account details you receive in an email from our firm including speaking to us before transferring money. Call us on a phone number you know is ours, not the one in an email with the bank account details as it may have been changed by a cyber-criminal. Do not reply to any emails asking for payment before verifying its authenticity with us by speaking with us.

### Duty

Item	Client	Practitioner	Comments
Estimate – <a href="#">transfer duty</a> <i>If you are acting for a foreigner please also refer to section headed "Foreigner".</i>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....
Spouse / partner <a href="#">exemption</a> (check current criteria)	<input type="checkbox"/>	<input type="checkbox"/>	Since 1 July 2017, only spousal transfers of a principal place of residence (PPR) made for no consideration are exempt. This means at least one person in the relationship must live in the property as their PPR for a continuous period of at least 12 months commencing within 12 months of the transfer.
Double duty may be payable for <a href="#">sub-sales</a> (nomination risk)	<input type="checkbox"/>	<input type="checkbox"/>	A deemed sub-sale occurs where a new purchaser is nominated after land development (including applications for permits, or developing or changing the land in

## Duty

			any way that would lead to the enhancement of its value) or where there is additional consideration paid by or on behalf of the nominee.
Some Concessions – (check current criteria) <a href="#">first home owner</a> , <a href="#">off the plan</a> , <a href="#">pensioner</a> , <a href="#">charitable</a> or <a href="#">water entitlements</a>	<input type="checkbox"/>	<input type="checkbox"/>	
First homeowner grant - <a href="#">FHOG</a>	<input type="checkbox"/>	<input type="checkbox"/>	The client should discuss any FHOG with their finance broker / mortgagee, as they are responsible for making the application.
<a href="#">Landholder duty</a> or <a href="#">economic entitlement duty</a>	<input type="checkbox"/>	<input type="checkbox"/>	A transfer of shares or units in entities that own land or arrangements that create an economic entitlement may attract duty. See — (a) <a href="#">Economic entitlement in... - Legal Practitioners' Liability Committee (lplc.com.au)</a>  (b) <a href="#">SRO information on economic entitlements</a>
<a href="#">Family farm</a> or young farmer concession/exemption	<input type="checkbox"/>	<input type="checkbox"/>	Consider any GST implications if farmland. Refer to the <a href="#">LPLC GST checklist</a> and <a href="#">guidance</a> .
Growth areas infrastructure contribution - <a href="#">GAIC</a> (for land over 0.41ha in Cardinia, Casey, Hume, Melton, Mitchell, Whittlesea or Wyndham)	<input type="checkbox"/>	<input type="checkbox"/>	Consider criteria for deferral of payment.  A vendor must comply with the disclosure obligations in the section 32 statement. See s.32G of the Sale of Land Act 1962 (Vic)
<a href="#">Windfall Gains Tax</a> (WGT)	<input type="checkbox"/>	<input type="checkbox"/>	See LPLC <a href="#">WGT information hub</a> .
<a href="#">Commercial and Industrial Property Tax (CPT)</a>	<input type="checkbox"/>	<input type="checkbox"/>	See (a) <a href="#">Commercial and Industrial... - Legal Practitioners' Liability Committee (lplc.com.au)</a>
<a href="#">Aggregation</a> - ie more than one lot being purchased	<input type="checkbox"/>	<input type="checkbox"/>	
<a href="#">Congestion levy</a>	<input type="checkbox"/>	<input type="checkbox"/>	
<a href="#">Lease duty</a> – ie right of first refusal	<input type="checkbox"/>	<input type="checkbox"/>	
<a href="#">Self-managed superannuation fund</a> issues	<input type="checkbox"/>	<input type="checkbox"/>	

## Duty

Request an SRO [private ruling](#)



For more information go to [www.sro.vic.gov.au](http://www.sro.vic.gov.au)

## Foreigners

Item	Client	Practitioner	Comments
<a href="#">Foreign purchasers</a> of property	<input type="checkbox"/>	<input type="checkbox"/>	<p>Individuals – if foreign citizen check visa details to determine if temporary or permanent residents. Temporary residents are foreign purchasers. NZ citizens must be in Australia to hold a subclass 444 visa, including on the day of settlement.</p> <p>Discretionary trusts - check any trust deed to see whether the description of beneficiaries could include foreigners. If so, additional duty may be payable. Consider if the trust deed can be varied without resettlement of the trust.</p>
<a href="#">Additional duty</a>	<input type="checkbox"/>	<input type="checkbox"/>	Foreigners pay additional duty. Currently 8%. Some exemptions apply — eg spouses buying PPR as joint tenants.
Additional duty estimate – <a href="#">transfer duty</a>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....
Land tax – <a href="#">absentee owner surcharge</a>	<input type="checkbox"/>	<input type="checkbox"/>	
Land tax - <a href="#">vacant residential land</a>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Warning, Vacant residential land tax will apply to all residential land in Victoria from 1/1/25, based on occupancy in the 2024 calendar year. See</p> <p>(a) LPLC <a href="#">Snapshot of Major... - Legal Practitioners' Liability Committee (lplc.com.au)</a></p> <p>(b) <a href="#">Vacant Residential Land... - Legal Practitioners' Liability Committee (lplc.com.au)</a></p>
<a href="#">CGT withholding obligation</a>	<input type="checkbox"/>	<input type="checkbox"/>	A purchaser must withhold 12.5% (proposed change to 15% from 1/1/2025 on all transactions) where a clearance certificate is not provided.
<a href="#">FIRB approval</a>	<input type="checkbox"/>	<input type="checkbox"/>	
<a href="#">Cth Register of Foreign Ownership of Australian Assets</a>	<input type="checkbox"/>	<input type="checkbox"/>	

## Foreigners

<a href="#">Cth vacancy fee</a>	<input type="checkbox"/>	<input type="checkbox"/>	
---------------------------------	--------------------------	--------------------------	--

## CGT

Item	Client	Practitioner	Comments
Will the transaction trigger capital gains tax?	<input type="checkbox"/>	<input type="checkbox"/>	Date of contract Client should discuss any CGT liability with their accountant.
<a href="#">Withholding obligation</a>	<input type="checkbox"/>	<input type="checkbox"/>	Sale of \$750,000 or more a purchaser must withhold 12.5% (proposed change to 15% from 1/1/2025 on all transactions) unless a valid clearance certificate is provided.
<a href="#">Exemptions</a> <ul style="list-style-type: none"> <li>Principal place</li> <li>Pre 20 September 1985 assets</li> <li>Rollover relief</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	Refer to accountant for taxation work
Long term contracts spanning multiple financial years	<input type="checkbox"/>	<input type="checkbox"/>	
<a href="#">Deceased estate</a> — payment by testator and/or beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>	Refer to accountant for taxation work
For more information go to LPLC CGT withholding obligation <a href="#">alerts</a> and <a href="#">Claim free conveyancing practice risk guide</a> .			

## Land tax

Item	Client	Practitioner	Comments
<a href="#">Principal place exemption</a>	<input type="checkbox"/>	<input type="checkbox"/>	Any use other than as a residence may mean the exemption does not apply.
<a href="#">Dual principal place exemption</a>	<input type="checkbox"/>	<input type="checkbox"/>	Check all criteria. May apply where client has purchased a new home but yet to sell their existing home.
<a href="#">Trust rate</a> – lodge form 8 notice	<input type="checkbox"/>	<input type="checkbox"/>	
<a href="#">Absentee owner surcharge</a>	<input type="checkbox"/>	<input type="checkbox"/>	
<a href="#">Vacant residential land</a>	<input type="checkbox"/>	<input type="checkbox"/>	Warning, Vacant residential land tax will apply to all residential land in Victoria from 1/1/25, based on occupancy in the 2024 calendar year.  See  (a) LPLC <a href="#">Snapshot of Major... - Legal Practitioners' Liability Committee (lplc.com.au)</a>  (b) <a href="#">Vacant Residential Land... - Legal Practitioners' Liability Committee (lplc.com.au)</a>
<a href="#">Special land tax</a> – a one off payment where an exemption ceases to apply	<input type="checkbox"/>	<input type="checkbox"/>	
<a href="#">Other exemptions</a> – eg retirement villages	<input type="checkbox"/>	<input type="checkbox"/>	

## Administrative matters

Item	Client	Practitioner	Comments
<a href="#">ABN application</a> and GST registration	<input type="checkbox"/>	<input type="checkbox"/>	
<a href="#">TFN application</a>	<input type="checkbox"/>	<input type="checkbox"/>	

## Lodging fees

Item	Client	Practitioner	Comments
<a href="#">Lodging fee</a>	<input type="checkbox"/>	<input type="checkbox"/>	See <a href="#">Transfer of Land Fees Calculator</a>

## Lodging fees

Estimate \$.....

For more information see [2024-2025 fees](#)

Note - Land Registry lodging fees are subject to annual increases by the Victorian government from 1 July each year.

## Subdivisions

Item	Client	Practitioner	Comments
Public open space	<input type="checkbox"/>	<input type="checkbox"/>	
Planning / development / infrastructure levy or any financial obligations under section 173 agreements	<input type="checkbox"/>	<input type="checkbox"/>	

## Other charges and issues to consider

Item	Client	Practitioner	Comments
Local council rates (including risk of supplementary rating or levies)	<input type="checkbox"/>	<input type="checkbox"/>	
Local council cladding rectification agreement	<input type="checkbox"/>	<input type="checkbox"/>	
Water rates and use	<input type="checkbox"/>	<input type="checkbox"/>	
Owners corporation and risk of special levies	<input type="checkbox"/>	<input type="checkbox"/>	
Estate agents commission / fees	<input type="checkbox"/>	<input type="checkbox"/>	
Fire services property levy	<input type="checkbox"/>	<input type="checkbox"/>	
Insurance	<input type="checkbox"/>	<input type="checkbox"/>	
Guarantee, <a href="#">Family Home Guarantee</a> , Regional First Home Buyer Guarantee	<input type="checkbox"/>	<input type="checkbox"/>	
<a href="#">Victorian Homebuyer Fund</a>			

## Other charges and issues to consider

Connection fees or other fees a developer can pass on via the statement of adjustments	<input type="checkbox"/>	<input type="checkbox"/>	
Penalties for late settlement	<input type="checkbox"/>	<input type="checkbox"/>	

## Completed by

Name	Date
Signature	
Name	Date
Signature	