Tax issues

This checklist contains the most common taxes and related charges and is not intended to be exhaustive. A section has also been included to identify common issues to be addressed when acting for foreigners. Ticking a box indicates who is responsible for considering the selected item. Both practitioner and client may be selected. 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 [here](https://lplc.com.au/checklists/key-risk-checklist-gst/).  
 **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.

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| Duty | | | |
| Item | **Client** | **Practitioner** | Comments |
| Estimate – [transfer duty](http://www.sro.vic.gov.au/calculators/land-transfer-calculator)  *If* *you are acting for a foreigner please also refer to section headed “Foreigner”.* | **□** | **□** | $............................ |
| Spouse / partner [exemption](https://www.sro.vic.gov.au/spouse-and-partner-exemption#:~:text=Before%201%20July%202017%2C%20transfers,for%20no%20consideration%20are%20exempt.) | **□** | **□** |  |
| Double duty may be payable for [sub-sales](https://www.sro.vic.gov.au/subsales) | **□** | **□** | A deemed sub-sale occurs where a new purchaser is nominated after land development, including applications for planning permits or where there is additional consideration paid by or on behalf of the nominee. |
| Concessions – eg [pensioner](http://www.sro.vic.gov.au/calculators/pensioner-exemption-or-concession-calculator) | **□** | **□** |  |
| First homeowner grant - [FHOG](http://www.sro.vic.gov.au/first-home-owner/apply-first-home-owner-grant-fhog) | **□** | **□** | The client should discuss any FHOG with their finance broker / mortgagee. |
| [Landholder](https://www.sro.vic.gov.au/landholder-duty) | **□** | **□** |  |
| [Farmland](http://www.sro.vic.gov.au/family-farm-exemption) | **□** | **□** | Consider any GST implications. Refer to the LPLC GST checklist [here](https://lplc.com.au/checklists/key-risk-checklist-gst/). |
| Growth areas infrastructure contribution - [GAIC](http://www.sro.vic.gov.au/growth-areas-infrastructure-contribution) | **□** | **□** | A purchaser client may wish to defer any GAIC.  A vendor must comply with the disclosure obligations in the section 32 statement. See s.32G of the Sale of Land Act 1962 (Vic) |
| [Windfall Gains Tax](https://www.sro.vic.gov.au/windfall-gains-tax#:~:text=How%20much%20is%20the%20windfall,apply%20to%20the%20total%20uplift.) (WGT) | **□** | **□** | A landowner client may wish to defer any WGT.  Refer s.31of the [Windfall Gains Tax and State Taxation and Other Acts Further Amendment Act 2021](https://www.legislation.vic.gov.au/as-made/acts/windfall-gains-tax-and-state-taxation-and-other-acts-further-amendment-act-2021) which commences 1 July 2023. |
| [Aggregation](http://www.sro.vic.gov.au/evidentiary/aggregation-dutiable-property) | □ | □ |  |
| [Congestion levy](http://www.sro.vic.gov.au/car-parks) | □ | □ |  |
| [Lease duty](http://www.sro.vic.gov.au/leasesgrantsandtransfers) – ie right of first refusal | □ | □ |  |
| [Self-managed superannuation fund](https://www.sro.vic.gov.au/evidentiary/transfers-trustees-or-custodians-superannuation-funds-or-trusts) issues | □ | □ |  |
| Request an SRO [private ruling](http://www.sro.vic.gov.au/leases-grants-and-transfers/request-private-ruling) | □ | □ |  |
| For more information go to [www.sro.vic.gov.au](http://www.sro.vic.gov.au/) | | | |

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| Foreigners | | | |
| Item | **Client** | **Practitioner** | Comments |
| [Foreign purchasers](https://www.sro.vic.gov.au/foreignpurchaser) of property | **□** | **□** | 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.  Discretionary trusts - check any trust deed to see whether the description of beneficiaries could include foreigners. If so, additional duty may be payable. |
| [Additional duty](http://www.austlii.edu.au/cgi-bin/viewdoc/au/legis/vic/consol_act/da200093/s28a.html) | **□** | **□** | Foreigners pay additional duty. Currently 8%. Some exemptions apply. |
| Additional duty estimate – [transfer duty](http://www.sro.vic.gov.au/calculators/land-transfer-calculator) | **□** | **□** | $....................... |
| Land tax – [absentee owner surcharge](https://www.sro.vic.gov.au/absentee-owner-surcharge) | **□** | **□** |  |
| Land tax - [vacant residential land](https://www.sro.vic.gov.au/vacant-residential-land-tax) | **□** | **□** |  |
| [CGT withholding obligation](https://www.ato.gov.au/General/Capital-gains-tax/In-detail/Calculating-a-capital-gain-or-loss/Capital-gains-withholding--Impacts-on-foreign-and-Australian-residents/?page=1) | **□** | **□** | A purchaser must withhold 12.5% where a clearance certificate is not provided. |
| [FIRB approval](https://firb.gov.au/) | **□** | **□** |  |

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| CGT | | | |
| **Item** | **Client** | **Practitioner** | **Comments** |
| Estimate of amount payable | □ | □ | $.......................  Client should discuss any CGT liability with their accountant. |
| [Withholding obligation](https://www.ato.gov.au/general/capital-gains-tax/in-detail/calculating-a-capital-gain-or-loss/capital-gains-withholding---a-guide-for-conveyancers/)  *If* *you are acting for a foreigner please also refer to section headed “Foreigner”* | □ | □ | A purchaser must withhold 12.5% where a clearance certificate is not provided. |
| [Exemptions](https://www.ato.gov.au/general/capital-gains-tax/cgt-assets-and-exemptions/)   * Principal place * Pre 20 September 1985 assets * Rollover relief | □ | □ |  |
| Long term contracts spanning multiple financial years | □ | □ |  |
| [Deceased estate](https://www.ato.gov.au/General/Capital-gains-tax/Deceased-estates-and-inheritances/) – payment by testator and/or beneficiaries | □ | □ |  |
| For more information go to LPLC CGT withholding obligation [alerts](https://lplc.com.au/news-alerts?keyword=CGT&types=news%2Calert) and [Claim free conveyancing practice risk guide](https://lplc.com.au/resources/practice-risk-guides/claim-free-conveyancing). | | | |

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| Land tax | | | |
| **Item** | **Client** | **Practitioner** | **Comments** |
| [Principal place exemption](http://www.sro.vic.gov.au/landtaxppr#120) | □ | □ | Any use other than as a residence may mean the exemption does not apply. |
| [Dual principal place exemption](http://www.sro.vic.gov.au/landtaxppr#120) | □ | □ | May apply where client has purchased a new home but yet to sell their existing home. |
| [Trust rate](http://www.sro.vic.gov.au/landtaxtrusts) – lodge form 8 notice | □ | □ |  |
| [Absentee owner surcharge](https://www.sro.vic.gov.au/absentee-owner-surcharge)  *If* *you are acting for a foreigner please also refer to section headed “Foreigner”* | □ | □ |  |
| [Vacant residential land](https://www.sro.vic.gov.au/vacant-residential-land-tax)  *If* *you are acting for a foreigner please also refer to section headed “Foreigner”* | □ | □ |  |
| [Special land tax](http://www.sro.vic.gov.au/special-land-tax) – a one off payment where an exemption ceases to apply | □ | □ |  |
| [Other exemptions](http://www.sro.vic.gov.au/node/1460) – eg retirement villages | □ | □ |  |

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| Administrative matters | | | |
| **Item** | **Client** | **Practitioner** | **Comments** |
| [ABN application](https://www.ato.gov.au/business/registration/work-out-which-registrations-you-need/business-or-company-registrations/) | □ | □ |  |
| [TFN application](https://www.ato.gov.au/Individuals/Tax-file-number/Apply-for-a-TFN/) | □ | □ |  |
| [Lost superannuation](https://www.ato.gov.au/forms/searching-for-lost-super/) | □ | □ |  |

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| Lodging fees | | | |
| **Item** | **Client** | **Practitioner** | **Comments** |
| [Lodging fee](https://www.land.vic.gov.au/land-registration/fees-guides-and-forms/2020-21-fees)  Estimate $.................. | □ | □ |  |
| For more information go to:  <https://www.land.vic.gov.au/land-registration/fees-guides-and-forms>  Note - Land Registry lodging fees are subject to annual increases by the Victorian government from 1 July each year. | | | |

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| Subdivisions | | | |
| **Item** | **Client** | **Practitioner** | **Comments** |
| Public open space | □ | □ |  |
| Planning / development levy | □ | □ |  |

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| Other charges and issues to consider | | | |
| **Item** | **Client** | **Practitioner** | **Comments** |
| Local council rates | □ | □ |  |
| Local council cladding rectification agreement | □ | □ |  |
| Water rates | □ | □ |  |
| Owners corporation | □ | □ |  |
| Estate agents commission / fees | □ | □ |  |
| Fire services property levy | □ | □ |  |
| Insurance | □ | □ |  |
| [First home loan deposit scheme](https://www.nhfic.gov.au/what-we-do/fhlds/) | □ | □ |  |

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| Completed by | |
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