



REVENUE CIRCULAR

RC-HI-001: Increases to the stamp duty first home owner concession and principal place of residence rebate

Purpose

This Circular provides information on amendments to the *Stamp Duty Act* ("the Act") that implement changes to the stamp duty first home owner concession (FHOC) and principal place of residence rebate (PPRR) announced by the Treasurer on 3 May 2005 and 20 June 2005.

Summary of measures

- (a) Commencing on 20 June 2005:
 - (i) the FHOC is increased from the first \$200 000 of a property's value (a stamp duty concession of up to \$6 800.00) to the first \$225 000 of a property's value (a stamp duty concession of up to \$8 015.60); and
 - (ii) the PPRR is increased from a maximum of \$1 500.00 to a maximum of \$2 500.00; and
- (b) Commencing on 3 May 2005, the FHOC is increased from the first \$125 000 of a property's value (a stamp duty concession of up to \$3 640.60) to the first \$200 000 of a property's value (a stamp duty concession of up to \$6 800.00).

First home owner concession

Instruments executed on or after 20 June 2005

For instruments executed on or after 20 June 2005, the FHOC is increased from the first \$200 000 of a property's value (a concession of up to \$6 800.00) to the first \$225 000 of a property's value (a concession of up to \$8 015.60).

Instruments executed on or after 3 May 2005 but before 20 June 2005

For instruments executed on or after 3 May 2005 but before 20 June 2005, the FHOC is increased from the first \$125 000 of a property's value (a concession of up to \$3 640.60) to the first \$200 000 of a property's value (a concession of up to \$6 800.00).

Transitional arrangements

There are measures to ensure that conveyances secured prior to the relevant commencement date for each FHOC increase, either by an earlier contract or an option agreement, will not be eligible for the increased concession. That is, where the conveyance is secured:

- (a) on or after 3 May 2005 and prior to 20 June 2005, the transitional provisions will cause the lower FHOC of up to \$6 800.00 in force in that period to apply; and
- (b) prior to 3 May 2005, the transitional provisions will cause the lower FHOC of up to \$3 640.60 in force prior to 3 May 2005 to apply.

Principal place of residence rebate

For instruments executed on or after 20 June 2005, the PPRR is increased from a maximum of \$1 500.00 to a maximum of \$2 500.00.

There are measures to ensure that conveyances secured prior to 20 June 2005, either by an earlier contract or an option agreement, will not be eligible for the increased PPRR. Where the conveyance is secured prior to 20 June 2005, the transitional provisions will cause the lower PPRR of up to \$1 500.00 in force prior to 20 June 2005 to apply.

Eligibility for the FHOC or PPRR


For more detailed information on the FHOC and the PPRR, including the eligibility requirements, please refer to Commissioner's Guideline CG-HI-001: *First Home Owner Concession and Principal Place of Residence Rebate*.

Revenue Circulars and Guidelines

The information in this circular is current as at the date of issue and will not be updated to reflect developments that supersede this information. Where there are further developments, a new revenue circular will be issued.

Commissioner's Guideline CG-GEN-01, which sets out information on the revenue publication system, is incorporated into and is to be read as one with this Guideline.

Refer to the *Stamp Duty Amendment Act 2005* for precise details of the amendments. For general information, please contact TRM on 1300 305 353.



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COMMISSIONER OF TAXES

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