

REVENUE CIRCULAR

RC-HI-004

First Home Owner Grant and First Home Owner Concession Eligibility Thresholds

Purpose

This circular advises of amendments to the *First Home Owner Grant Act* and the *Stamp Duty Act* that commence on 1 January 2010 and limit eligibility to the First Home Owner Grant (FHOG) and the stamp duty First Home Owner Concession (FHOC) where the unencumbered value of, or consideration paid for a home or land on which a home is to be built exceed particular thresholds.

Eligibility Thresholds

FHOG

On or after 1 January 2010, a person will not be eligible for FHOG if:

- For **any transaction** – the consideration for the transaction (including any GST payable in relation to it) is more than \$750 000.
- For a **contract for the purchase of a home** – if the total of the unencumbered value of the home plus the unencumbered value of the land on which the home is built or to be built is more than \$750 000 (at the date the contract is made).
- For a **comprehensive home building contract** – if the total of the consideration for the construction of the home (including any GST payable in relation to it) plus the unencumbered value of the land on which the home is to be built (at the date the contract is made) is more than \$750 000.

Of note, if the FHOG is paid before completion of the comprehensive home building contract, and on completion the consideration paid under the contract results in the transaction exceeding the \$750 000 threshold, the recipient of the FHOG must give written notice to the Commissioner of Territory Revenue of this fact and repay the FHOG to the Commissioner by the earlier of 30 days after:

- completion of the contract; and
 - the date on which it first became apparent that the \$750 000 threshold would be exceeded.
- For the building of a home by an **owner builder** – if the total (at the date the home is ready for occupation as a place of residence) of the unencumbered value of the home plus the unencumbered value of the land on which the home is built is more than \$750 000.

FHOC

Similarly, a person that enters into a contract on or after 1 January 2010, for the purchase of a home, or land on which to build a home is not eligible for FHOC if:

- in the case of the **purchase of a home** including an off-the-plan contract, the consideration including any GST payable in relation to it or the unencumbered value of the home is more than \$750 000; and
- in the case of **land on which a home is to be built**, the consideration including any GST payable in relation to it or unencumbered value of the land is more than \$385 000. A home must be built on the vacant land within three years and there is no limitation on the construction costs of the home.

A first home owner that purchases a property that exceeds the threshold is not eligible for FHOC but may be eligible for the stamp duty Principal Place of Residence Rebate (PPRR). For more detailed information on FHOC and PPRR please refer to Commissioner's Guideline CG-HI-001 *First Home Owner Concession and Principal Place of Residence Rebate*.

Application forms and other administrative arrangements

Application forms

The Territory Revenue Office (TRO) has updated the FHOG and FHOC application forms (F-HI-001 and F-HI-002) to include declarations in relation to the new eligibility requirements and has also made minor changes to the PPRR form. These forms must be completed for eligible transactions on or after 1 January 2010. The new forms will be available on the TRO website from mid-December 2009 and may be used for transactions prior to the commencement date.

Conveyance By Return (CBR) scheme

The CBR software is being updated to include the new FHOC eligibility requirement. The software will not permit FHOC to be applied in relation to transactions on or after 1 January 2010 where the dutiable value exceeds the relevant threshold. TRO will be contacting approved users shortly to install the software in readiness for the commencement date.

Web calculators and content

TRO's website, including content, calculators and publications will be updated to reflect the new eligibility requirements.

Commissioner's Guideline CG-GEN-001, which sets out information on the revenue publication system, is incorporated into and is to be read as one with this Circular. All Circulars and Guidelines are available from TRO's website.



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DEPUTY COMMISSIONER OF TERRITORY REVENUE

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