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CHANGES TO STATE REVENUE OFFICE DUTIES AND TAXES

The Victorian State Revenue office has announced a series of changes to duties and taxes, these are set to be introduced and will apply to contracts entered into from **1 July 2017**.

Increase to First Home Owner Grant (FHOG) for new homes built in Regional Victoria

- The FHOG is doubled from \$10,000 to \$20,000, for new homes built in regional Victoria and valued up to \$750,000.
 - *Note: First-home buyers of new homes in metropolitan Melbourne will continue to receive the current grant of \$10,000.*

Stamp duty abolished for first-home buyers

- To assist first home buyers, stamp duty (land transfer duty) will be abolished for first-home buyers purchasing a new or existing home with a dutiable value of not more than \$600,000.
 - *Note 1: Currently first home buyers get a 50% duty reduction when purchasing a home with a dutiable value of not more than \$600,000 but as part of this change a full exemption of stamp duty will apply.*
 - *Note 2: Sliding scales of duty discount will apply for eligible first-home buyers, who purchase a home with a*

dutiable value between \$600,001 and \$750,000.

- *Note 3: Discount will be in addition to existing First Home Owner Grants.*

Vacant property tax proposed in Victoria

- A self-reporting Vacant Residential Property Tax (VRPT) is planned to be introduced in Victoria. An annual 1% tax rate will be levied on dwellings that are vacant for more than a total of six months in a calendar year.
 - *Note: Owners of vacant residential property will be required to notify the SRO of any vacant properties that they own. Exemptions will apply to holiday homes, city units for work purposes, properties in deceased estates, and homes subject to legitimate temporary absences.*

Changes to the off-the-plan concession

- The off-the-plan concession will now only apply to buyers who occupy the property as their principal place of residence (PPR), or who qualify for the new first home buyer stamp duty concessions. This is expected to rebalance the market between property investors and home buyers.
 - *Note: The current off-the-plan stamp duty concessions mean the beneficiaries only pay stamp duty, on the value of their land, before construction begins.*