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## Property e-alert

### Tasmanian Land Tax | Principal Place of Residence 2012

Earlier this year we were fortunate to attend a conference whereby the Commissioner of State Revenue, headed up by a three man team, provided the legal attendees a useful State Revenue Office update.

Of particular interest was the issue of property owners informing the SRO to a change of residence. According to the SRO, tracking the principal place of residence of Tasmanians keeps their compliance team quite busy.

The issue is essentially home owners who move and let out their former residence. This will immediately alter the land tax standing of their former residence and the SRO need to be informed. If they are not, then their advice to us is that sooner or later they will find out.

If this is not discovered by the SRO until sometime down the track (say, two years later), then there are likely to be significant implications including a large tax bill to pay plus interest and possibly penalties.

The SRO's compliance program is aimed at achieving the following:

- » Supporting voluntary compliance;
- » Detecting and investigating non-compliance; and
- » Collecting tax that is due.

They have a range of tools at their disposal to detect non-compliance. In particular they have access to data records to ensure they

match up with the SRO's records, for instance:

- » Australian Tax Office – does someone's tax return show rental income?
- » Australian Securities and Investments Commission – do company returns match the information the SRO holds on a company that holds Tasmanian property?
- » Rental Deposit Authority – is there a rental deposit held for a property that according to the SRO's records is tax exempt?
- » Other State Revenue Offices – does someone claim a main residence elsewhere?
- » Aurora and local Council information.

So, sooner or later, with the tools available to the SRO they appear to have the ability to detect non-compliance through their data matching systems. It seems that apart from ensuring compliance with our State laws, it is a very good idea to keep the SRO informed as to when your principal place of residence changes or you begin receiving any sort of rental income. Otherwise the land tax bill payable in one hit could be substantially larger than it ought to have been.

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