

COVID-19 Victorian Land Tax Relief Measures



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Towards the end of 2020, the Victorian Government announced the extension of land tax relief measures in response to COVID-19. These measures include 2020 and 2021 land tax reductions, as well as deferral of payment due dates.

We provide a summary of the conditions for land tax reductions for commercial landlords and owner-occupiers below (noting that there are separate relief measures for residential landlords). This summary is current as at 2 March 2021 and is not to be relied upon as advice. Further detail is available on the Victorian State Revenue Office's [website](#).

Most landlords and commercial owner-occupiers who satisfy the eligibility criteria can apply for land tax relief through [My Land Tax](#). Landlords of multi-tenanted buildings must apply through the [Coronavirus land tax relief - Multiple tenancy properties SmartForm](#) and complete a [Multiple Tenancy Schedule](#) to accompany the application.

Summary: key dates and eligibility for Victorian land tax relief

Land tax relief	Application cut-off	Threshold requirements	Turnover/JobKeeper requirements	Supporting documentation
2020 Land Tax Reductions				
Landlords - Reduction of up to 50% of 2020 land tax	31 March 2021 <i>Note: If a landlord has already applied for the original 25% concession, a separate application is required for the 'up to additional 25% concession'.</i>	Landlords must provide relief that complies with the Victorian Government's Commercial Tenancy Relief Scheme and: <ul style="list-style-type: none"> to qualify for land tax relief of 25% ('original 25% concession') – provide a rent reduction in respect of the period between 29 March 2020 and 29 September 2020, with such reduction being at least equal to the amount of the available land tax relief; or 	Landlords must also ensure the following are satisfied: <ul style="list-style-type: none"> tenant must have annual turnover of no more than \$50 million;¹ and tenant must be eligible for and receive the JobKeeper payment. 	Supporting documentation includes: <ul style="list-style-type: none"> lease agreement dated prior to the pandemic; written evidence of the rent reduction for the original concession, and/or of the rent reduction for the additional

¹ Turnover thresholds must generally be calculated on an 'aggregated turnover' basis, i.e. the turnover of the entity's connected entities and affiliates must also be included. Rules differ for entities operating a licensed pub, club or restaurants under certain liquor licences.



Land tax relief	Application cut-off	Threshold requirements	Turnover/JobKeeper requirements	Supporting documentation
		<ul style="list-style-type: none"> to qualify for land tax relief of up to an additional 25% (i.e. total relief of up to 50%)² – meet the 'original 25% concession' criteria and also provide a 50% or more outright rent waiver of at least 3 months' rent to eligible tenants (these months must fall between 29 March 2020 and 31 December 2020 but need not be consecutive). 		<p>concession (if applicable);</p> <ul style="list-style-type: none"> declaration from landlord that rent relief complies with Victorian Government's Commercial Tenancy Relief Scheme; and declaration from the tenant that the tenant meets the relevant criteria.
Owner-occupiers - Reduction of 25% of 2020 land tax	31 March 2021	<p>Owner-occupiers must, in the 2020 land tax year:</p> <ul style="list-style-type: none"> carry on an active business under an ABN at the relevant property (note this does not include certain business activities e.g. construction or development work on properties for the purposes of sale); and own the relevant property and business either through a company or trust which is directly controlled by the owner-occupier. 	<p>Generally, owner-occupiers must ensure the business:³</p> <ul style="list-style-type: none"> has an annual turnover of no more than \$50 million; and is eligible for and receives the JobKeeper payment. 	<p>While the SRO may not necessarily require supporting documentation upfront, the following should be retained:</p> <ul style="list-style-type: none"> evidence of an active business on the relevant property; and evidence of direct ownership of both the relevant property and relevant business.

² Total relief is capped at the lesser of 50% (excluding the absentee owner surcharge) and the amount of rent waived between 29 March 2020 and 31 December 2020.

³ As per footnote 1 above, also noting that a turnover reduction test (rather than JobKeeper requirement) applies for entities operating a licensed pub, club or restaurants under certain liquor licences.

Land tax relief	Application cut-off	Threshold requirements	Turnover/JobKeeper requirements	Supporting documentation
2021 Land Tax Reductions				
Landlords - Reduction of 25% of 2021 land tax	30 June 2021 <i>Note: If a 2020 concession application has been or will be made, a separate application is required for the 2021 concession.</i>	Landlords must: <ul style="list-style-type: none"> ▪ provide relief that complies with the Victorian Government's Commercial Tenancy Relief Scheme; and ▪ for the period between 1 January 2021 and 28 March 2021, provide a rent reduction which is at least equal to the amount of the available land tax relief. 	Landlords must also ensure the following are satisfied: <ul style="list-style-type: none"> ▪ tenant must be eligible for and receive the JobKeeper payment between 1 January 2021 and 28 March 2021; and ▪ tenant must have annual turnover of no more than \$50 million.⁴ 	As per 2020 landlord land tax relief above.
Owner-occupiers - Reduction of 25% of 2021 land tax	30 June 2021 <i>Note: If a 2020 concession application has been or will be made, a separate application is required for the 2021 concession.</i>	As per 2020 owner-occupier land tax relief above, but in relation to the 2021 land tax year.	Generally, owner-occupiers must ensure the business: ⁵ <ul style="list-style-type: none"> ▪ has an annual turnover of no more than \$50 million; and ▪ is eligible for and receives the JobKeeper payment in the March 2021 quarter. 	As per 2020 owner-occupier land tax relief above.

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⁴ As per footnote 1 above.

⁵ As per footnote 3 above.