

Foreign Purchaser Stamp Duty & Absentee Owner Surcharge Summary

State Taxes - Australia

1 March 2024

Outpacing change

Table 1: Foreign purchaser surcharge¹

| State | Surcharge rate ¹ | “Residential Land” | Foreign corporations ² | Foreign (non-discretionary) trusts ^{2,3} | Special rules and clawback provisions |
|------------|-----------------------------|---|--|--|---|
| NSW | 8% | <ul style="list-style-type: none"> One or more “dwellings” Substantially vacant land zoned residential Not primary production land | <ul style="list-style-type: none"> Corporation not incorporated in Australia; or One or more foreign persons or associated persons of foreign persons have 50% or more control (votes, potential votes and shares) | <ul style="list-style-type: none"> “Substantial interest” of 20% of the income or property of the trust or “aggregate substantial interest” of 40% for two or more foreigners | <ul style="list-style-type: none"> Exemptions may apply⁴ |
| QLD | 7% | <ul style="list-style-type: none"> Land that is, or will be, solely or primarily used for residential purposes Land on which residential development is being, or will be, undertaken (does not apply to certain types of commercial residential premises). | <ul style="list-style-type: none"> Applies FIRB definition. “Substantial interest” of 20% or “aggregate substantial interest” of 40% for two or more foreigners | <ul style="list-style-type: none"> 50% or more of the trust interests in the trust are foreign interests Foreign interests aggregated | <ul style="list-style-type: none"> Three year reassessment provision if acquirer becomes a foreign person Exemptions may apply⁴ |
| SA | 7% | <ul style="list-style-type: none"> Land used predominantly for residential purposes Land not used for any particular purpose but which should be taken to be used for residential purposes due to improvements that are residential in character Vacant land zoned for residential use | <ul style="list-style-type: none"> Corporation not incorporated in Australia; or 50% or more shares or voting rights held by foreign person(s) | <ul style="list-style-type: none"> 50% or more of capital of the trust property held by one or more foreign persons | <ul style="list-style-type: none"> Exemptions may apply⁴ One year reassessment provision if acquirer ceases to be a foreign person Three year reassessment provision if acquirer becomes a foreign person |

Table 1: Foreign purchaser surcharge¹

| State | Surcharge rate | “Residential Land” | Foreign corporations | Foreign (non-discretionary) trusts | Special rules and clawback provisions |
|------------|----------------|---|---|---|---|
| VIC | 8% | <ul style="list-style-type: none"> Land capable of being used solely or primarily for residential purposes Land on which person intends to construct residential premises Not commercial residential premises (GST definition), a residential care facility, a supported residential service or a retirement village (as defined) | <ul style="list-style-type: none"> Corporation not incorporated in Australia; or More than 50% foreign control (votes, potential votes or shares) Foreign interests aggregated | <ul style="list-style-type: none"> More than 50% of the capital of the estate of the trust (substantial interest by foreign person(s)) Foreign interests aggregated | <ul style="list-style-type: none"> Foreign owners are required to notify change in intention (ie a foreign purchaser must advise in writing within 14 days of forming the intention to convert property into residential property) Exemptions may apply⁴ |
| WA | 7% | <ul style="list-style-type: none"> Land capable of being, or intended to be, used solely or dominantly for residential purposes Land that is vacant or substantially vacant and zoned solely for residential purposes Any estate or interest in land as described above Not land intended for aged care, commercial residential premises (GST definition) or a retirement village | <ul style="list-style-type: none"> Corporation not incorporated in Australia; or Corporation where foreign persons have a controlling interest (ie 50% or more shares or voting rights or potential voting power held by foreign person(s) or their associates) | <ul style="list-style-type: none"> One or more foreign persons, with associates, hold beneficial interests in at least 50% of the income or property of the trust | <ul style="list-style-type: none"> Exemptions may apply⁴ |

Table 1: Foreign purchaser surcharge¹

| State | Surcharge rate | “Residential Land” / “Primary production” | Foreign corporations | Foreign (non-discretionary) trusts | Special rules and clawback provisions |
|-------|--------------------------|--|---|--|--|
| TAS | Residential: 8% | <ul style="list-style-type: none"> Land used solely or primarily for residential purposes Land that is vacant and will be used solely or primarily for residential purposes Land that includes a building intended to be refurbished and used solely or primarily for residential purposes Land on which persons intend to construct a building to be used solely or primarily for residential purposes Land development for the purposes of constructing a building used solely or primarily for residential purposes Excludes land on which a building is being lawfully used solely or primarily as commercial residential property | <ul style="list-style-type: none"> Corporation not incorporated in Australia; or Corporation where foreign persons have a significant interest (ie 50% or more shares or voting rights or potential voting rights held by foreign persons (in aggregate)) | <ul style="list-style-type: none"> “Substantial interest” of 20% of the income or property of the trust or “aggregate substantial interest” of 40% for two or more foreigners | <ul style="list-style-type: none"> Exemptions may apply |
| | Primary production: 1.5% | <ul style="list-style-type: none"> Land used solely or primarily for primary production purposes Land that a person intends to develop so the land is capable of being used solely or primarily for primary production purposes | | | |

1. Surcharge applies to certain transactions, and is in addition to the normal transfer duty rate.
2. Different rules apply for corporations, trusts and individuals.
3. Special rules apply to discretionary trusts.
4. Exemptions may be available for property developers, builders, operating businesses, or eligible build-to-rent developments.

Table 2: Land tax rates¹

| State | General land tax rate ¹ | Surcharge land tax rate ² | Foreign corporations | Foreign (non-discretionary) trusts | Liability date ³ |
|------------|---|---------------------------------------|---|--|--|
| ACT | \$1,565 plus valuation charge up to 1.14% on five-year average of unimproved value of the residential land. | 0.75% on the average unimproved value | <ul style="list-style-type: none"> Corporation not incorporated in Australia; or One or more foreign persons or associated persons of foreign persons have 50% or more control (maximum votes and shares) | <ul style="list-style-type: none"> 50% or more of the capital of the trust estate is held by one or more foreign beneficiaries and their associates | 1 July, 1 October, 1 January and 1 April |
| NSW | \$67,364 plus 2% | 4% | <ul style="list-style-type: none"> Applies FIRB definition. “Substantial interest” of 20% or “aggregate substantial interest” of 40% for two or more foreigners | <ul style="list-style-type: none"> Applies FIRB definition. “Substantial interest” of 20% or “aggregate substantial interest” of 40% for two or more foreigners. | 31 December |
| QLD | \$187,500 plus 2.75% | 2% | <ul style="list-style-type: none"> Corporation not incorporated in Australia; or One or more foreign persons or associated persons of foreign persons have 50% or more control (votes, potential votes and shares). | <ul style="list-style-type: none"> 50% or more of the trust interests in the trust are foreign interests | 30 June |

1. Rates shown are generally the highest marginal rates which apply. No land tax is payable in NT.
2. Surcharge rates apply in addition to the applicable general land tax rate in respect of residential land owned by foreign persons.
3. Determined at midnight on each date in each year.

Table 2: Land tax rates¹

| State | General land tax rate ¹ | Surcharge land tax rate ² | Foreign corporations | Foreign (non-discretionary) trusts | Liability date ³ |
|------------|------------------------------------|--------------------------------------|--|---|-----------------------------|
| SA | \$25,685 plus 2.4% | N/A | <ul style="list-style-type: none"> N/A | <ul style="list-style-type: none"> N/A | 30 June |
| TAS | \$1,800 plus 1.5% | 2% | <ul style="list-style-type: none"> Corporation not incorporated in Australia; or Foreign persons are in a position to control more than 50% of the voting power, or have an interest of 50% or more in issued shares | <ul style="list-style-type: none"> One or more foreign persons has more than a 50% interest in the capital of the trust | 1 July |
| VIC | \$31,650 plus 2.65% | 4% | <ul style="list-style-type: none"> Corporation not incorporated in Australia; or One or more foreign persons can control the composition of the board, or have more than 50% control (maximum votes and shares) | <ul style="list-style-type: none"> At least one foreign person has a beneficial interest in land under the trust, or is a unitholder in a unit trust | 31 December |
| WA | \$186,550 plus 2.67% | N/A ⁴ | <ul style="list-style-type: none"> N/A | <ul style="list-style-type: none"> N/A | 30 June |

4. A metropolitan region improvement tax rate of 0.14% applies to the aggregated taxable value of land in excess of \$300,000 for property located in the metropolitan area surrounding Perth.