

# COMMISSIONER'S GUIDELINE

## CG-HI-001

### Stamp Duty Home Incentive Schemes

1. Ver sio n	Issued	Dates of Effect	
		From:	To:
1	9 May 2005	3 May 2005	19 June 2005
2	1 July 2005	20 June 2005	30 April 2007
3	1 May 2007	1 May 2007	31 December 2007
4	2 January 2008	1 January 2008	5 May 2008
5	6 May 2008	6 May 2008	31 December 2009
6	18 December 2009	1 January 2010	3 May 2010
7	5 May 2010	4 May 2010	2 May 2011
D	3 May 2011	3 May 2011	3 December 2012
9	7 December 2012	4 December 2012	27 April 2015
10	28 April 2015	28 April	23 May 2016
11	24 May 2016	24 May 2016	31 August 2016
12	1 September 2016	1 September 2016	30 June 2017
13	1 July 2017	1 July 2017	30 April 2018
14	1 May 2018	1 May 2018	Current

### Purpose

1. This Guideline explains the eligibility criteria for the stamp duty first home owner discount (FHOD), senior, pensioner and carer concession (SPCC) and principal place of residence rebate (PPRR) (collectively 'the home incentive schemes') under the *Stamp Duty Act* (SDA).
2. For information on the first home owner grant (FHOG), including eligibility criteria and the procedure for applying, refer to the [FHOG Application Form F-HI-001](#) and the guide to the application.

### Application of the home incentive schemes

3. The home incentive schemes may apply to a conveyance, whether by way of sale or gift, of land on which there is a home or on which a home will be built.

4. They may also apply to the grant or transfer of particular leases and subleases of land from the Commonwealth or Northern Territory on which there is a home or on which a home will be built,<sup>1</sup> including a registered lease or sublease granted under section 19 or 19A of the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth) that is for a term of 15 years or more and a sublease of these leases.
5. The home incentive schemes reduce the stamp duty payable on the dutiable value<sup>2</sup> of the property acquired. Only one of the concessions or rebate can apply to a single transaction.
6. For further information on what is a 'home', refer to Commissioner's Guideline CG-HI-006: **Meaning of a 'home'**.

### First Home Owner Discount (FHOD)

7. The FHOD was first introduced on 24 May 2016 to provide eligible first home buyers of established homes with a 50 per cent reduction in the stamp duty otherwise payable, up to a maximum discount of \$10 000.
8. From 1 September 2016, the FHOD increased from \$10 000 to \$23 928.60 for established homes valued at \$650 000 or less. This equates to a full stamp duty concession on the initial \$500 000 value of the home.

### Senior, Pensioner and Carer Concession (SPCC)

9. The SPCC is a concession of up to \$10 000. This represents the stamp duty payable on about the first \$292 300 of the dutiable value of the property acquired.

### Principal Place of Residence Rebate (PPRR)

10. The PPRR is a concession of up to \$7000 for new homes. This represents the stamp duty payable on about the first \$231 600 of the dutiable value of the property acquired.

### Common eligibility criteria

11. The following criteria are common to the home incentive schemes. All applicants must:
  - (1) be individuals – that is, a natural person and not a company;<sup>3</sup>
  - (2) not have a beneficial interest in the land prior to the transaction;<sup>4</sup>
  - (3) be acquiring the whole of the beneficial interest in the land on which the home is or will be built (i.e. a partial acquisition will not be eligible);<sup>5</sup>
  - (4) not be acquiring the home or land as the trustee of a trust (an exception applies for a guardian purchasing a property for a person under a legal disability);<sup>6</sup>
  - (5) be entitled to possession of the home or land within 12 months of the settlement date or the longer period approved by the Commissioner;<sup>7</sup>
  - (6) occupy the home<sup>8</sup> as their principal place of residence for a continuous period of six months commencing:

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<sup>1</sup> See the definition of 'conveyance' in section 88(1) of the SDA.

<sup>2</sup> 'Dutiable value' is the greater of the consideration payable or the unencumbered value of the property.

<sup>3</sup> Sections 89A(1)(a) and 90(1)(a) of the SDA.

<sup>4</sup> Sections 89A(1)(d) and 90(1)(c) of the SDA.

<sup>5</sup> Sections 89A(1)(e) and 90(1)(d) of the SDA.

<sup>6</sup> Sections 89A(1)(f) and 90(1)(e) of the SDA.

<sup>7</sup> Sections 89A(1)(i) and 90(1)(g) of the SDA.

<sup>8</sup> For further information on what is a 'home', refer to Commissioner's Guideline CG-HI-006: Meaning of a 'home'

## Stamp Duty Home Incentive Schemes

- (a) in the case of a purchase of a home (including off-the-plan), within 12 months after being entitled to possession of the home; or
- (b) in the case of building a home, the **earlier** of:
  - (i) five years after being entitled to possession of the land; or
  - (ii) 12 months after construction is completed.<sup>9</sup>
- (7) not be first home buyers who have been paid, are entitled to or will become entitled to the first home owner grant in respect of the home that is being built or purchased.<sup>10</sup>
- 12. An applicant is exempt from the requirement in 11(6) if:
  - (1) the conveyance is first executed on or after 28 April 2015; and
  - (2) at least one other applicant to the conveyance complies with the requirements in 11(6).
- 13. Where there are special reasons, the Commissioner may:
  - (1) extend the period for taking possession of the home or land;
  - (2) extend the period for commencing occupation of the home;
  - (3) reduce the period for continuous occupation of the home; or
  - (4) exempt an applicant from the occupancy requirements.<sup>11</sup>
- 14. For further details, refer to Commissioner's Guideline [CG-HI-003: Commissioner's discretion to exempt or vary compliance with the eligibility criteria](#).
- 15. For an application for the SPCC and PPRR on a conveyance of vacant land on which a home will be built, the person(s) acquiring the land must provide the Territory Revenue Office (TRO) with supporting information to verify that a home will be built on the land. If this information cannot be provided at the time of assessment, the person(s) can apply to TRO for a refund of stamp duty when the information is available.

### Additional eligibility criteria for the FHOD

- 16. In addition to the common eligibility criteria described above, applicants for the FHOD must satisfy the following additional criteria:
  - (1) At least one applicant must be:
  - (2) 18 years of age or more when the contract is entered into; and
  - (3) an Australian citizen or permanent resident at the time the application is made;
  - (4) The applicants and/or their spouses/de facto partners must not have held, at any time, a relevant interest in residential property in Australia.
  - (5) The home must be an established home. An established home is one that has never been previously sold or occupied as a place of residence.
- 17. The Commissioner may exempt an applicant from the requirement to be 18 years of age or more if satisfied the applicant is genuinely purchasing the home for themselves. For further details, refer to Commissioner's Guideline [CG-HI-003: Commissioner's discretion to exempt or vary compliance with the eligibility criteria](#).

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<sup>9</sup> See the definition of 'period for occupancy' in section 88(1) and sections 89A(1)(g) and 90(1)(f) of the SDA.

<sup>10</sup> Sections 89A(1)(ga) and 90(1)(fa) of the SDA.

<sup>11</sup> Sections 89A(11) and (12) and 90(8) and (9) of the SDA.

## Additional eligibility criteria for the SPCC

18. In addition to the common eligibility criteria described above, applicants for the SPCC must satisfy the following additional criteria:

(1) At the time the contract is entered into:

(a) at least one applicant must be:

- (i) 60 years of age or more; or
- (ii) hold an NT Pensioner and Carer Concession Card or a Northern Territory Concession Scheme Card;<sup>12</sup> or
- (iii) is entitled to hold a card mentioned in subparagraph (ii) and at the time of application for the concession is the holder of such a card; and
- (iv) that applicant must comply with the occupancy requirements at 10(6) above.

(b) the dutiable value of the property does not exceed:

- (i) \$750 000 for land on which there is a home (including an off-the-plan purchase); or
- (ii) \$385 000 for land on which a home is to be built (note: there is no limit on the subsequent cost of construction of the home).<sup>13</sup>

## Additional eligibility criteria for the PPRR

19. In addition to the common eligibility criteria described above, from 4 December 2012, the PPRR is only available to applicants who are purchasing a new home or land on which a new home will be built.

20. For further information on what is a 'new home', refer to Commissioner's Guideline [CG-HI-011: What is a 'new home'](#).

## Procedure for applying for the FHOD, SPCC or PPRR and supporting information

21. Applicants for the home incentive schemes must submit the appropriate application form (FHOD: [F-HI-014](#), SPCC: [F-HI-008](#) or PPRR: [F-HI-003](#)) and the supporting information referred to in the Guide to the application when lodging the instrument for assessment of duty with TRO or an approved agent<sup>14</sup>.

22. For further information on lodging and paying duty on instruments, refer to Commissioner's Guideline [CG-SD-001: Document lodgement and payment](#) periods and [CG-SD-002: Eligible conditional agreements – extension of time to lodge instrument and pay duty](#). Refer to the SDA for the legislative basis for the FHOD, SPCC and PPRR.

23. If you are unsure about any aspect concerning your eligibility for the FHOD, SPCC or PPRR, it is important that you contact your legal advisor, conveyancer or TRO for clarification before proceeding with your application.

24. TRO cannot provide rulings based on personal circumstances until a transaction has been entered into and a completed application lodged with all supporting documentation, however may be able to provide guidance to assist in determining an applicant's eligibility.

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<sup>12</sup> Section 89A(1)(b) of the SDA.

<sup>13</sup> Section 89A(1)(h) of the SDA.

<sup>14</sup> Some conveyancers and solicitors are authorised to assess stamp duty on certain property purchases.

## Failure to comply with occupancy requirements

25. A person who has received the FHOD, SPCC or PPRR must notify TRO in writing within 30 days after it first became apparent that they would not satisfy the occupancy requirements. Failure to make the required notification is an offence with a maximum penalty of 50 penalty units (current penalty unit values are available from the TRO website).<sup>15</sup>
26. In these circumstances, TRO is required to reassess the stamp duty payable as if the person were not eligible for the FHOD, SPCC or PPRR<sup>16</sup>. Accordingly, the person will need to pay the amount previously claimed, and may be liable for interest and penalty tax. Where there are special reasons not to, such as the death of an applicant or a natural disaster destroying the home, a reassessment will not be made.<sup>17</sup>

## Commissioner's Guidelines

27. 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 Guideline. All Circulars and Guidelines are available from the TRO website.

## Date of effect

28. This version of the Guideline takes effect from 1 May 2018.



Mick Butler

### COMMISSIONER OF TERRITORY REVENUE

Date of issue: 1 May 2018

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For further information, contact the Territory Revenue Office

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<sup>15</sup> Sections 89A(3) and 90(3) of the SDA.

<sup>16</sup> Sections 89A(6) and 90(4) of the SDA.

<sup>17</sup> Sections 89A(7) and 90(4) of the SDA.