**Territory revenue office**

**REVENUE CIRCULAR**

**RC-GEN-018**

**Increased Stamp Duty Relief for First Home Buyers, Renovation Grant and Household Goods Grant Scheme**

**Purpose**

1. This Circular provides information on the implementation of first home buyer assistance measures that form part of the Government’s 2016 election commitments. Amendments are being made to the *Stamp Duty Act* to increase the First Home Owner Discount for established homes and a Home Renovation Grant is also being provided. For first home buyers of new homes, a Household Goods Grant is now available in addition to the First Home Owner Grant.

**For First Home Buyers of Established Homes**

***Increased Stamp Duty Relief***

1. From 1 September 2016, first home buyers of established homes are eligible for a new First Home Owner Discount. The Discount provides a stamp duty concession of up to $23 928.60 for established homes valued up to $650 000. This equates to a full stamp duty concession on the initial $500 000 value of the home and a reduction in stamp duty payable (by $23 928.60) on homes valued between $500 000 and $650 000. Generally, an established home is a home that has previously been occupied or sold as a place of residence.

*Discount Examples*

On 2 December 2016, Abigail signs a contract to purchase an established unit in Alice Springs for $400 000. Abigail is a first home buyer and will occupy the home as her principal place of residence. She discusses eligibility with her conveyancer and applies for the Discount.

As Abigail’s purchase is below $500 000, she is not required to pay stamp duty on her home.

On 15 October 2016, Oliver signed a contract to purchase an established house in Darwin for $550 000. Oliver is a first home buyer and will occupy the unit as his principal place of residence.

Oliver receives the maximum Discount of $23 928.60 on the first $500 000 of the purchase price, which reduces his stamp duty from $27 252.00 to $3296.40.

1. A First Home Owner Discount [calculator](http://www.treasury.nt.gov.au/TaxesRoyaltiesAndGrants/StampDuty/StampDutyCalculators/Pages/FHOD-Calculator.aspx) is available on the Territory Revenue Office website.
2. Consistent with other stamp duty home incentive schemes, a range of eligibility criteria apply. This includes the requirement that the first home buyer occupy the home as their principal place of residence for at least six months. Please see [Commissioner’s Guideline CG-HI-001: *Stamp Duty Home Incentive Schemes*](http://www.treasury.nt.gov.au/_layouts/download.aspx?SourceUrl=/PMS/Publications/TaxesRoyaltiesGrants/HomeOwnerIncent/CG-HI-001.docx) for more information on the eligibility criteria.
3. Although the Discount is typically available for established homes, it may also be available for vacant land if an established home is relocated to the site.
4. The new Discount applies to contracts entered into on or after 1 September 2016. Transitional arrangements have been put in place so that a contract entered into on or after this date will receive the former Discount (of up to $10 000) where:

* the contract replaces an earlier conveyance executed between 24 May 2016 and 31 August 2016, for the purchase of the same or a substantially similar home; or
* between 24 May 2016 and 31 August 2016, the purchaser or vendor entered into a contract or option to require the sale or purchase of the home.

1. As a transitional measure, where a conveyance is executed between 24 May 2016 and 31 December 2016, first home buyers of established homes with a value greater than $650 000 continue to be eligible for the former Discount (of up to $10 000). For more information on the former Discount, please refer to [RC-GEN-017: 2016-17 Budget Measure – First Home Owner Discount](http://www.treasury.nt.gov.au/_layouts/download.aspx?SourceUrl=/PMS/Publications/TaxesRoyaltiesGrants/GeneralAdmin/RC-GEN-017.docx).

***Home Renovation Grant***

1. A Home Renovation Grant of up to $10 000 is also available for first home buyers of established homes, who have received the Discount, to assist in undertaking renovation projects with Territory businesses. The contract to purchase the home must be signed between 1 September 2016 and 31 August 2018.
2. Eligible renovations include improvements, repairs and maintenance services that are intended to permanently improve the fabric or the condition of the home and which will be permanently fixed to the home.
3. First home buyers are entitled to use up to $2000 of the grant for the purchase of household goods from Territory businesses. Household goods are new household items such as white goods, brown goods, furniture, curtains/blinds, manchester, kitchenware, barbecues and similar items ordinarily found in a home.
4. The Home Renovation Grant is administered by the Department of Trade, Business and Innovation and is subject to the [Program Terms and Conditions](https://nt.gov.au/__data/assets/pdf_file/0003/375330/first-homebuyer-renovation-grant-terms-and-conditions.pdf).
5. For further information, and to apply for the Home Renovation Grant, go to [www.firsthome.nt.gov.au](http://www.firsthome.nt.gov.au). Further information and assistance can also be obtained by emailing [homerenovation.grant@nt.gov.au](mailto:homerenovation.grant@nt.gov.au) or calling 1800 193 111.

**For First Home Buyers of New Homes**

***First Home Owners Grant***

1. The First Home Owner Grant of $26 000 continues to be available for the purchase or construction of a new home by a first home owner.

***Household Goods Grant***

1. First home buyers of new homes are also eligible for a grant of up to $2000 for the purchase of ‘household goods’ from a ‘Territory enterprise’. These terms are explained in detail on the Territory Revenue Office website.
2. Applicants must:

* be eligible for the First Home Owner Grant;
* have entered into a contract to purchase or construct a new home on or after 1 September 2016 (or be an owner builder who commenced construction of the new home on or after 1 September 2016);
* after the contract date, purchase household goods for use in their new home from a Territory enterprise;
* confirm eligibility by providing receipts to the Territory Revenue Office (TRO) as evidence of their compliant purchase(s) within 30 days of the Household Goods Grant being paid. Receipts can be scanned and emailed to TRO at [ntrevenue@nt.gov.au](mailto:ntrevenue@nt.gov.au).

1. Payment will be made to the applicant(s) nominated account within 14 days of lodgement of a completed application, provided the transaction completion date has occurred. For the purchase of a new home, the transaction is complete once settlement occurs and the applicants are registered on the certificate of title to the home. For the construction of a new home, the transaction is complete once the certificate of occupancy is issued and the property can be lawfully occupied as a place of residence.
2. If a first home buyer purchases household goods for their new home prior to applying for the Household Goods Grant, payment of the grant can be made by way of reimbursement. This is provided the relevant receipts accompany the grant application and the receipts demonstrate that the goods were purchased from a Territory enterprise after the contract to purchase or construct the home was entered into.
3. Applications for the grant should be lodged with TRO using form [F-HI-015 Household Goods Grant Scheme Application Form and Guide to the Application](http://www.treasury.nt.gov.au/_layouts/download.aspx?SourceUrl=/PMS/Publications/TaxesRoyaltiesGrants/HomeOwnerIncent/F-HI-015.docx).

**Further Information**

1. Please refer to the [Stamp Duty Amendment Bill 2016](http://notes.nt.gov.au/dcm/legislat/Acts.nsf/5504d78eee675d6e6925649e001bb652/a80a8ab2dde54961692580510083b15e?OpenDocument) and explanatory statement for precise details of the amendments to the First Home Owner Discount. Further details can also be found in [F-HI-014 First Home Owner Discount Application Form and Guide to the Application](http://www.treasury.nt.gov.au/_layouts/download.aspx?SourceUrl=/PMS/Publications/TaxesRoyaltiesGrants/HomeOwnerIncent/F-HI-014.docx), and [Commissioner's Guideline CG-HI-001: *Stamp Duty Home Incentive Schemes*](http://www.treasury.nt.gov.au/_layouts/download.aspx?SourceUrl=/PMS/Publications/TaxesRoyaltiesGrants/HomeOwnerIncent/CG-HI-001.docx).
2. For further details on the Household Goods Grant Scheme, please refer to [F-HI-015 Household Goods Grant Scheme Application Form and Guide to the Application](http://www.treasury.nt.gov.au/_layouts/download.aspx?SourceUrl=/PMS/Publications/TaxesRoyaltiesGrants/HomeOwnerIncent/F-HI-015.docx).
3. If you are unsure about any aspect concerning your eligibility for any first home buyer assistance, contact your conveyancer or the relevant Government agency for assistance before proceeding with your application. The Territory Revenue Office can be contacted in relation to the First Home Owner Discount, First Home Owner Grant and the Household Goods Grant.
4. For further information about the Home Renovation Grant go to [www.firsthome.nt.gov.au](http://www.firsthome.nt.gov.au) or contact the Department of Trade, Business and Innovation by emailing [homerenovation.grant@nt.gov.au](mailto:homerenovation.grant@nt.gov.au) or calling 1800 193 111.

**Revenue Circulars**

1. ******Commissioner’s Guideline [CG-GEN-001: *Revenue Circulars, Commissioner's Guidelines and Payroll Tax Rulings: explanation and status*](http://www.treasury.nt.gov.au/PMS/Publications/TaxesRoyaltiesGrants/GeneralAdmin/CG-GEN-001.pdf), which sets out information on the revenue publication system, is incorporated into and is to be read as one with this Circular. All Circulars and Guidelines are available from TRO’s website.

Grant Parsons

**COMMISSIONER OF TERRITORY REVENUE**

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