

RC-GEN-21: 2022-23 Budget Measures

Revenue Circular

Purpose

1. This Circular provides information on amendments to the *Monetary Units Act 2018*, *Penalty Units Act 2009*, *Penalty Units Regulations 2010*, *Property Activation Act 2019*, *Revenue Units Act 2009* and *Stamp Duty Act 1978*. The amendments implement the revenue measures announced in the 2022-23 Budget, which was handed down on 10 May 2022.

Indexation of monetary, penalty and revenue units

2. In the Northern Territory, many government fees and penalties are expressed in revenue units and penalty units respectively, while some payments and expenses are expressed in monetary units. The monetary value of each type of unit is automatically indexed on 1 July each year based on movements in the Darwin Consumer Price Index (CPI) in the previous calendar year.
3. Due to a larger than usual increase to the Darwin CPI in 2021 (reflecting the one-off impact of COVID-19 stimulus measures), indexation will be capped for the 2022-23 financial year to better reflect the underlying inflation rate. From 1 July 2022, the value of a:
 - (1) monetary unit will increase from \$1.02 to \$1.04
 - (2) penalty unit will increase from \$157 to \$162
 - (3) revenue unit will increase from \$1.24 to \$1.27.
4. Automatic indexation based on movements in the Darwin CPI will resume for subsequent financial years.

Cessation of the property activation levy

5. A review of the effectiveness of the property activation levy was conducted in 2021 and found that the levy had largely achieved its goal of encouraging activation or occupation of vacant land and buildings within a designated zone of the Darwin CBD.
6. Public feedback and data collected during the review, combined with the small number of properties still to activate, supported discontinuation of the levy from 1 July 2022. Ceasing the levy will remove an annual red tape burden for a broadly compliant taxpayer base.
7. To give effect to this, the *Property Activation Act 2019* is repealed on 1 July 2022, with the effect of ceasing the property activation levy on this date, while retaining the obligation for vacant land and non-residential property owners within the designated zone to lodge returns and pay any levy owing for the 2021-22 financial year.

Stamp duty exemption for house and land packages and speculative build homes

8. From 1 July 2022, a new stamp duty exemption is available to home buyers who enter into a house and land package with, or purchase a speculative build home from, a building contractor.
9. The exemption arises from the [Bringing Land to Market](#) report, and complements Government's broader goal of streamlining and simplifying the Territory's land development process.
10. Under the exemption, a:
 - (1) 'house and land package' is an agreement in which a building contractor agrees to convey land to a home buyer and build a new home on that land.
 - (2) 'speculative build home' is a new home that is either fully or partially-built at the time the home buyer enters into the agreement to purchase it from the building contractor.
 - (3) 'building contractor' is defined to mean a building practitioner registered in the category of building contractor (restricted) or building contractor (unrestricted) within the meaning of the *Building Regulations 1993*.
11. The exemption is limited to new homes that have not been previously occupied or sold as a place of residence, and must be occupied as the home buyer's principal place of residence. It applies in relation to conveyances executed between 1 July 2022 and 30 June 2027.
12. However, the exemption does not apply to contracts executed after 1 July 2022 that replace an earlier contract executed prior to that date.
13. For the exemption to apply, the building contractor must have:
 - (1) purchased the lot, forming the subject of the conveyance to the home buyer, from the person who created that lot and developed the wider parcel of land; and
 - (2) paid stamp duty on the dutiable value of the lot when the building contractor acquired it from that person.
14. Land is considered 'developed' if:
 - (1) the land is cleared of vegetation, existing structures are removed from the land or the land is rehabilitated; and
 - (2) new infrastructure is constructed on the land; and
 - (3) the land is subdivided into lots.
15. The conveyance must take place under a single agreement between the home buyer and the building contractor, under which the building contractor agrees to convey the land to the home buyer and, if applicable, build or complete the building of a new home on that land.
16. More information, including how to apply and a guideline containing the full eligibility criteria, will be published on the Territory Revenue Office website in due course.

Stamp duty concession for electric motor vehicles

17. A new concession of up to \$1,500 applies on the amount of stamp duty payable on a certificate of registration issued in relation to an electric motor vehicle between 1 July 2022 and 30 June 2027.
18. This measure arises from Government's commitment to reduce the cost of stamp duty for electric motor vehicles as part of the [Northern Territory Electric Vehicle Strategy and Implementation Plan](#).

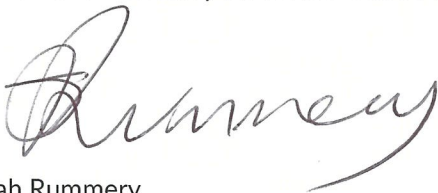
19. The term 'electric motor vehicle' applies to battery electric and plug-in hybrid electric vehicles that:
- (1) use an electric motor for propulsion, whether or not it is also fitted with an internal combustion engine; and
 - (2) takes and stores energy from an external source of electricity; and
 - (3) is not equipped with a fuel cell for converting hydrogen to electricity.
20. Where the issue of a certificate of registration for an electric motor vehicle is liable to duty, the first \$50,000 of the vehicle's dutiable value is exempt from stamp duty. This results in a stamp duty concession of \$1,500 in cases where dutiable value exceeds \$50,000.
21. The concession applies to new or used electric motor vehicles, regardless of whether an earlier concession may also have been claimed by a former owner on the same vehicle. In addition, a person can claim the concession in relation to multiple electric motor vehicles.

Further information

22. Please refer to the *Revenue Legislation Amendment and Repeal Bill 2022* and Explanatory Statement for precise details of the amendments.

Revenue circulars

23. Commissioner's Guideline [CG-GEN-001: Revenue Circulars, Commissioner's Guidelines and Payroll Tax Rulings: explanation and status](#), 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 on the Territory Revenue Office website.



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