

CHANGES TO



Information has been released by the Office of State Revenue in relation to the recent changes to transfer duty and the Building Boost Grant. This update aims to help clarify the position regarding when the new transfer duty rates apply and provides more detailed information regarding the Building Boost Grant.

Home Concession – Transfer Duty Liability Date

The Home Concession for transfer duty will not apply to transactions where the transfer duty liability date is on or after **1 August 2011**.

What is the transfer duty liability date?

Where a contract is entered into, the transfer liability date will be the date of the contract. **This means that if a contract is entered into prior to 1 August 2011 the current transfer duty rates apply.**

Building Boost Grant

This is a grant of \$10,000.00 for a person, corporation or trustee of a trust (including Superannuation Funds) buying or building a new home in Queensland for a value of less than \$600,000.00.

When does this apply?

The grant applies for any transactions entered into between **1 August 2011 and 31 January 2012**. This includes the following:

- A contract to purchase a new home;
- A comprehensive home building contract; and
- The building of a home by an owner builder if the building work starts between 1 August 2011 and 21 January 2012. The start of building work is defined as laying the foundations for the home.

What is a new home?

A new home is:

- a home that has not been previously occupied or sold as a place of residence; or
- a substantially renovated home.

What is a substantially renovated home?

- The home is the subject of a contract for the purchase of the home;
- The sale of the home under the contract is under Section 40-75 (1)(b) of *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*, a taxable supply as a sale of new residential premises.
- Substantial renovations are renovations in which all, or substantially all, of a building is removed or replaced. However, the renovations need not involve removal or replacement of foundations, external walls, interior supporting walls, floors, roof or staircases.
- The home, as renovated, has not been previously occupied or sold as a place of residence.

Who cannot obtain the grant?

The grant is not payable for a building contract, or to an owner builder, if the applicant carries on the business of building homes and the home was constructed for sale in the course of that business.

What about 'off the plan' contracts?

The grant will apply to any 'off the plan' contract entered into between 1 August 2011 and 31

January 2012 as long as the building work is completed by **31 July 2013**.

Construction Time Limits

- For a comprehensive home building contract, the building work must commence within 26 weeks of the date of the contract and be completed within 18 months of work starting.
- For an owner- builder, building work must be completed within 18 months of work starting; and
- For a contract to purchase a new home off the plan, the building work must be completed by 31 July 2013.

Occupancy

To be eligible for the grant the home must be first occupied as a place of residence. It does not matter who occupies the home and a tenant or family member can occupy the home.

A builder who builds a home and sells it before it is occupied cannot claim the grant.

Can I obtain more than 1 grant?

Yes it is available for each new home purchased or built.

Replacement Contracts

Replacement contracts will not qualify for the grant. This means that only new contracts entered into after 1 August 2011 will be eligible for the grant. The new contract cannot be a replacement of a previous contract entered into prior to 1 August 2011.
