

Stamp duty

NORTHERN TERRITORY

Home Ownership Concessions

The enhancements to the stamp duty home ownership concessions make it cheaper for more people to buy their home in the Territory. This is due to an increase in the first home ownership concession and the introduction of a new principal place of residence rebate.

First home owner concession

The *Stamp Duty Act* provides a concession for Territory first home buyers on the first \$80 000 of the property's value - a concession of up to \$2096 on the duty payable. Labor's pre-election financial statement included a promise to increase the first home owner stamp duty concession threshold from \$80 000 to \$125 000. This measure was expected to provide \$2.9 million in extra assistance to Territory home buyers. These Budget measures provide that increase and commence from 20 August 2002.

In effect, this raises the maximum first home buyer stamp duty concession by \$1544 (from \$2096 to \$3640.60), an increase of about 74%.

In addition, the measures include changes to the eligibility criteria for the first home buyer stamp duty concession. Currently, the concession is available to any person who purchases their home in the Territory for the first time. The concession applied even where a person has previously owned a property elsewhere in Australia.

To ensure the concession is targeted at true first home buyers, the eligibility criteria for the concession has been aligned broadly with the \$7000 First Home Owner Grant. This is in line with other home purchase assistance schemes administered by Territory Housing.

Narrowing the eligibility criteria has the effect of costing less than the \$2.9 million originally set out in Labor's pre-election financial statement. This saving has been channeled into a new principal place of residence stamp duty rebate.

Principal place of residence rebate

From 20 August 2002, a new stamp duty rebate of up to \$1500 is available for all Territory homebuyers who are not purchasing their first home. Consequently, people who have previously owned a home may be eligible for the Principal Place of Residence Rebate on the purchase or construction of their home. This measure will reduce a current disincentive for people wishing to move to another home (and consequently, should benefit the general housing market).

The combination of the increased First Home Owner Concession and the Principal Place of Residence Rebate provides home purchase assistance to a greater number of people than before. Furthermore, the new scheme results in Territory's stamp duty being lower than the national average and one of the lowest in the nation when purchasing a home valued at \$200 000 (as set out in the attached graphs).

The new scheme is expected to enable more than 2500 Territorians to pay around \$1500 less in stamp duty on the purchase of their home (due to either the increased first home concession or the new Principal Place of Residence Rebate) than under the former stamp duty concession scheme.

More information

If you have any questions about these duty concessions contact the Northern Territory Treasury office.

Email: ntrevenue.ntt@nt.gov.au
Internet: www.nt.gov.au/nt/revenue