

Stamp duty

QUEENSLAND

Duty concessions for first home buyers

The Government has announced extension of transfer duty and mortgage duty relief for the purchase or construction of a first home. The new arrangements will apply to transactions entered into on or after 1 May 2004. Amending legislation is being urgently drafted and will be introduced into Parliament as soon as possible. This document summarises the new arrangements.

Existing duty arrangements for first homes

Transfer duty is assessed on the greater of the consideration paid for, or the value of the home acquired. The rate of duty increases with the consideration or value.

All home buyers (including first home buyers) benefit from a lower 1% rate of duty on the first \$250 000 of the cost of their home. Duty at the normal rates applies to the excess price over \$250 000. First home buyers benefit from an additional concession in the form of a reducing rebate which cuts out at \$160 000.

Summary of existing transfer duty arrangements for first homes

Price of first home	Transfer duty	
	Basic concessional duty for all home buyers	Less additional rebate for first home buyers
Up to \$80 000	\$800	\$800
\$80 001 to \$150 000	1%	\$500
\$150 001 to \$155 000	1%	\$300
\$155 001 to \$160 000	1%	\$200
\$160 001 to \$250 000	1%	no additional rebate
Over \$250 000	1% on the first \$250 000 plus general duty rates on the excess price over \$250 000	no additional rebate

In the case of mortgage duty, the first \$100 000 of a loan to buy or build a first home secured by a mortgage is exempt from duty. Mortgage duty applies to the excess loan amount over \$100 000.

New transfer duty relief for first homes

Under the new transfer duty arrangements, no duty will apply to the purchase of a first home up to \$250 000.

Where the price exceeds \$250 000, the existing transfer duty arrangements (see table 1) continue to apply. In addition, however, a first home duty rebate will apply. This rebate is capped at \$2500 and reduces by \$100 for every \$10 000 over \$250 000. The rebate cuts out completely for homes costing \$500 000 or more.

Price of first home	Transfer duty	
	Basic concessional duty for all home buyers	Less additional rebate for first home buyers
Up to \$250 000	\$2 500	\$2500
\$250 000 to \$259 999		\$2500
\$260 000 to \$269 999	1% on the first \$250 000 plus	\$2400
\$270 000 to \$279 999	\$3.50 for every \$100 or part of \$100 of the excess price over \$250,000	\$2300
\$280 000 to \$289 999		\$2200
\$290 000 to \$299 999		\$2100
\$300 000 to \$309 999		\$2000
\$310 000 to \$319 999		\$1900
\$320 000 to \$329 999		\$1800
\$330 000 to \$339 999		\$1700
\$340 000 to \$349 999		\$1600
\$350 000 to \$359 999		\$1500
\$360 000 to \$369 999		\$1400
\$370 000 to \$379 999		\$1300
\$380 000 to \$389 999		\$1200
\$390 000 to \$399 999		\$1100
\$400 000 to \$409 999		\$1000
\$410 000 to \$419 999		\$900
\$420 000 to \$429 999		\$800
\$430 000 to \$439 999		\$700
\$440 000 to \$449 999		\$600
\$450 000 to \$459 999		\$500
\$460 000 to \$469 999		\$400
\$470 000 to \$479 999		\$300
\$480 000 to \$489 999		\$200
\$490 000 to \$499 999		\$100
\$500 000		NIL
Over \$500 000	1% on the first \$250 000 plus \$8750 plus \$3.75 for every \$100 or part of \$100 of the excess price over \$500 000	NIL

New mortgage relief for first home mortgages

Under the new mortgage duty arrangements, no mortgage duty will be payable by a first home borrower for the first \$250 000 of a loan to buy or build their first home.

Mortgage duty, at the rate of \$0.40 per \$100 or part of \$100, will apply to any amount secured in excess of \$250 000.

First home buyers must be at least 18 years of age

From 1 May 2004, a person claiming the first home transfer duty or mortgage duty concessions must be at least 18 years of age.

However, the Commissioner of State Revenue will have a discretion to exempt an individual from this requirement in genuine circumstances.

Commencement

These changes will commence on 1 May 2004 and apply to transactions entered into on or after that date.

In the case of the 18 year age requirement, a person claiming the benefit of the new concessions must be at least 18 years of age when they enter into the transaction.

Arrangements to defer purchases

An anti-avoidance provision will apply to overcome arrangements designed to defer the purchase of a first home until after the new transfer duty concessions commence. For example, where an option to purchase a first home is granted before 1 May 2004 and exercised after that date to take advantage of the new transfer duty concessions, the concessions will not apply to the purchase.

More information

If you have any questions about these duty concessions contact Office of State Revenue - Queensland Treasury.

Email: ClientContactCentre@osr.treasury.qld.gov.au
Internet: www.osr.qld.gov.au

