

Alert

TAX

RevenueSA Online Land Tax Portal – Responding to Land Tax Letters

By Briony Hutchens

In anticipation of the new land tax provisions coming into effect on 1 July 2020, RevenueSA has been sending out letters to landowners requiring them to confirm details of their landholdings via the RevenueSA Online portal. This includes, amongst other things, who the landowners are, whether the land is held in trust and details of any related corporations.

RevenueSA has updated its website to provide further information on how to use the online portal to respond to these letters and the information they require to be provided. This information can be accessed [here](#)¹.

The online portal is used not only to advise of relevant holdings or details but also to upload copies of relevant documents in support of that information. For example, where land is held in a trust and RevenueSA have not

previously been provided with notification of that trust holding or the information on RevenueSA Online does not otherwise reflect the trust holding, documents including a copy of the trust deed and evidence that the land is held in the trust are required to be uploaded. Similarly, where changes are notified in respect of groups of related corporations, evidence supporting the exclusion of a corporation from the group is required to be uploaded.

Nominations of trust beneficiaries and applications for exclusion from a corporate group are also facilitated via the online portal.

RevenueSA has also now released a new [Guide to Land Tax Legislation](#) explaining how the provisions operate in respect of joint owners, land held on trust and related corporations. A copy of the Guide can be found [here](#)². Where clients hold land jointly,

on trust or via corporations, we encourage you to read the Guide referred to above as this reflects the current position of RevenueSA in relation to the operation of the legislation which, in some respects, has changed from the position reflected in the [Overview of Land Tax Changes](#)³ document previously published by RevenueSA. For example, where land is held in a unit trust in which units are held by a discretionary trust, the Guide makes it clear that, where the trustee of the unit trust nominates the unitholders for land tax purposes, the resulting deemed ownership of the unit trust land by the discretionary trust (unitholder) will not be treated as pre-existing trust land of the discretionary trust, and therefore will not be eligible to be taxed to the trustee of the discretionary trust at general rates, even if the discretionary trust has made an otherwise valid nomination of a

¹ <http://www.revenuesa.sa.gov.au/services-and-information/revenuesa-online/land-tax-reform-changes>

² https://www.revenuesa.sa.gov.au/taxes-and-du-ties/land-tax/guides-to-legislation/G2L_LT_Changes.pdf

³ <https://www.revenuesa.sa.gov.au/taxes-and-du-ties/land-tax/land-tax-changes/Overview-of-Land-Tax-Changes-2019.pdf>

beneficiary. This is a change from the position taken in the earlier Overview and is a consideration to be taken into account when determining whether trustees should, or can, make a beneficiary nomination.

Another important aspect to note, as explained by the Guide, is the circumstances in which companies can be considered to be related corporations where either or both of them act as trustees of a trust. The general principle is that where a company holds land as trustee of a trust, that land will not be aggregated with land held by other related corporations (whether as trustee or not). However, there are some exceptions to this, and it does not mean that corporate trustees are disregarded for all purposes in determining whether corporations are related corporations. For example, where two different companies (Company 1 and Company 2) each hold land in their own capacity (i.e. not as trustee) and the shares in Company 1 are held by Company 3 as trustee for Discretionary Trust A and the shares in Company 2 are held by Company 4 as trustee for Discretionary Trust B, Company 1 and Company 2 may be related corporations if the shares in each of Company 3 and Company 4 are held by the same

person or group of persons. These provisions are complex and require careful analysis to determine whether corporations are grouped indirectly.

If you require any assistance in responding to the letters from RevenueSA or would like to discuss your options in relation to the new land tax provisions, please contact our tax experts.



[MORE INFO](#)

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