



2008 State Mini-Budget

- [First Home Owner Grant](#)
- [Land tax](#)
- [Nominal duties](#)
- [Deferred abolition](#)
- [Landholder duty](#)
- [Parking space levy](#)
- [Petrol subsidies](#)

As part of its Mini-Budget Announcement on 11 November 2008 the NSW Government issued a financial statement that introduced the following measures:

First Home Owner Grant

Effective from 11 November 2008 a NSW New Home Buyers Supplement of \$3,000 will be added to the existing \$7,000 grant for eligible First Home Owner Grant applicants building a new home or buying a newly constructed home. The \$3,000 Supplement will be available for 12 months (11 November 2008 to 10 November 2009 inclusive), at which time it will be reviewed in the context of the property market. This Supplement is in addition to the \$14,000 provided under the Commonwealth's First Home Owner Boost scheme. This will give eligible First Home Owner Grant applicants building a new home or buying a newly constructed home a total of \$24,000.

Effective from 1 July 2009 (subject to Federal Government approval) the First Home Owner Grant and NSW New Home Buyers Supplement will be capped and only be available for properties valued up to \$750,000.

- [NSW New Home Buyers Supplement](#)

Land tax

Effective from the 2009 land tax year a new premium land tax marginal rate of 2 per cent will apply to land tax payers with total taxable land holdings above \$2.25 million. The land holding below the premium threshold will remain subject to the 1.6 per cent rate and receive the 2009 tax free threshold of \$368,000. The premium threshold will be indexed for the 2010 and following tax years. The premium marginal rate does not apply to exempt land such as principal place of residence or primary production land.

Duties

Nominal duties

Nominal duty of either \$2 or \$10 is payable on a range of documents, for example, duplicates of contracts on which ad valorem duty has been paid, collateral mortgages and transfers of property pursuant to a Will. Effective from 1 January 2009 these duties will be increased from \$2 to \$10 and from \$10 to \$50 as the case may be. In addition, the duty on the execution of certain trust documents will be increased from \$200 to \$500 from the same date.

Deferred abolition

The abolition of marketable securities duty on unquoted marketable securities has been deferred until 1 July 2012.

Mortgage duty has already been abolished on owner occupied housing and investment housing. The abolition of the remaining mortgage duty has been deferred until 1 July 2012.

The abolition of transfer duty on non-land business assets has been deferred until 1 July 2012.

Landholder duty

'Land rich' duty is currently paid on the acquisition of a 'significant interest' of a private company, a private unit trust or wholesale trust, where more than 60 per cent of its property is land. To assist with taxation harmonisation with other jurisdictions, the duty will move from 'land rich' to a 'landholder' basis effective from 1 July 2009.

Under the 'landholder' model, the purchase of a significant parcel of shares or units in any entity that owns land above a threshold value is subject to transfer duty as if there was a direct purchase of land. Under the landholder model the 60 per cent test is eliminated.

Parking space levy

From 1 July 2009 the levy will increase from \$950 to \$2,000 a year per off-street, non residential parking space in the Sydney, North Sydney and Milsons Point business districts and from \$470 to \$710 a year in the business areas of St Leonards, Chatswood, Parramatta and Bondi Junction.

Existing exemptions will remain in place and the levy will continue to be indexed in line with the Sydney CPI.

Petrol subsidies

New South Wales provides a subsidy to petrol retailers in regions along the border with Queensland to minimise the effect of the subsidy provided by Queensland to petrol retailers in that State.

Queensland has announced its intention to restructure the subsidy scheme in 2009 so that it is only available to Queensland residents. Should Queensland change its subsidy arrangements, as indicated, the NSW subsidy scheme will no longer be needed and will be abolished.

[top](#) 

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