



MACBITES

VICTORIAN GOVERNMENT CHANGES – FIRST HOME OWNER GRANT, STAMP DUTY & VACANT RESIDENTIAL PROPERTY TAX

The Victorian Government has recently announced a number of new initiatives that impact upon property investors, with the key points being as follows;

1. The First Home Owner Grant (FHOG) will increase from \$10,000 to \$20,000 for new homes built in regional Victoria and valued up to \$750,000, effective for contracts signed from 1 July 2017 (note that Geelong qualifies for this purpose)
2. First home buyers acquiring properties valued below \$600,000 will be exempt from paying stamp duty, effective for contracts signed from 1 July 2017
3. First home buyers acquiring properties valued between \$600,000 and \$750,000 will receive a stamp duty concession on a sliding scale
4. The maximum stamp duty savings, on a property purchase of \$600,000, will be \$15,535
5. From 1 July 2017, the “off the plan” stamp duty concession will only be available to owner-occupiers who are purchasing residential property – i.e the concession will no longer be available to residential property investors, or commercial property investors
6. A new tax called Vacant Residential Property Tax (VRPT) will be introduced and apply from 1 January 2018 to properties owned within the inner and middle areas of Melbourne.
 - a. Property owners that keep their property vacant for more than 6 months within one calendar year will be required to self report
 - b. The Tax will be 1% of the capital improved value of the property
 - c. Exemptions will be available for holiday homes, city apartments used for work purposes, deceased estates and properties owned by Victorians who are temporarily overseas

Please feel free to call us to discuss any of the above.

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