

SA Government extends COVID-19 Land Tax relief

The South Australian State Government has announced that its Land Tax relief measures will be expanded to provide ongoing assistance to landlords who provide rent relief to tenants impacted by COVID-19 restrictions.



Back in May of this year, the State Government introduced [measures to reduce Land Tax](#) for landlords who pass on the reduction in the form of rent relief to struggling tenants. At the time, a reduction of up to 25% was available on the total 2019-20 Land Tax bill, provided rent relief given to the tenant equated to at least that amount of Land Tax reduction, and the tenant could demonstrate a significant financial impact from the effects of the pandemic. 'Financial impact' for a commercial tenant was defined as a drop in turnover of at least 30%, for businesses with \$50 million in annual turnover or less, that are eligible for JobKeeper. The relief was also made available for residential landlords.

The new announcement builds on this relief by increasing the discount to 50% of the total 2019-20 Land Tax liability. Once again, the full benefit must be passed on to a financially impacted tenant. It is also available to landlords who are unable to secure a tenant due to COVID-19.

Further, the relief measure will be extended to include eligible owner-occupied properties. The amount of the discount in these cases will still be limited to 25% though.

It's important to note that the eligibility period for the additional 25% Land Tax relief is 31st October 2020 to 30th April 2021. A landlord is not automatically entitled to the extended discount simply because they were eligible for the initial 25%. In effect, it seems likely that a landlord will have to reassess and show again that there is ongoing hardship for a tenant beyond 31st October (or that a property which was rented as at 30th March 2020 but subsequently became vacant has remained untenanted) in order to be eligible for the additional discount. If you managed to successfully wade through the red-tape-riddled application process for the initial relief, this is not likely to be something you're looking forward to.

Where the 2019-20 Land Tax liability has already been paid, an eligible property owner may choose to credit any relief against a future Land Tax liability, or alternatively may request a refund.

So far there is only an announcement, with further information to be released 'shortly', together with an application form. The form will be made available on the [Revenue SA website](#).

Commercial tenant protections also extended

In addition to Land Tax relief, the State Government has also extended protections for small-medium business tenants affected by the crisis for a further 3 months. Amongst other things, these measures

enact the Federal Government's Code of Conduct, and essentially ensure that affected tenants cannot be evicted for non-payment of rent or outgoings. The protections were due to expire on 30th September, but will now run until at least 3rd January 2021.

Like everyone, we're hoping that by the time these extensions have run their course we'll have started to turn the corner and there will be an end in sight to what is no doubt a generational economic challenge. In the meantime, every bit of assistance helps.

If you have any questions or require further assistance, please [contact us](#) for further information or assistance.

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