

Question on Notice

No. 738

Asked on 17 October 2013

MR KNUTH ASKED THE TREASURER AND MINISTER FOR TRADE (MR NICHOLLS)—

QUESTION:

Will the Treasurer advise what provisions will be made for first home buyers who are minimally subsidised for purchasing properties over \$550,000 and also for family members to transfer titles without stamp duty to a family member prior to death?

ANSWER:

Under the *Duties Act 2001* (the Duties Act) transfer duty is imposed on the dutiable value of dutiable transactions including the transfer and agreement for the transfer of land in Queensland. The Duties Act provides transfer duty concessions in certain circumstances, including for the purchase of a first home.

For a first home, no transfer duty applies where the dutiable value is less than \$500,000 and a phasing-out rebate applies for values up to \$549,999.99. First home buyers who purchase homes with a value of \$550,000 or more are still eligible to receive a transfer duty concession for their principal place of residence, which also applies where a home is not a first home. This concession was abolished by the previous Government from 1 August 2011 and reinstated by the Newman Government from 1 July 2012 to lower the cost of buying a home. Queenslanders buying their principal place of residence in these circumstances may now save up to \$7,175 in transfer duty.

The Government also assists first home buyers who buy a new or substantially renovated home through the Great Start Grant. The grant is available for homes valued up to \$750,000 and provides a one-off payment of \$15,000. This helps first home buyers get into their new first home sooner.

In relation to interfamily transfers, the Duties Act provides concessions for family primary production businesses and other family businesses prescribed under the *Duties Regulation 2013*. The concessions apply to transfers of land primarily used to conduct the business or personal property used to carry on the business on the land. The transfer must be between lineal descendants, such as a parent to child or grandparent to grandchild.

For family primary production businesses, no transfer duty is payable to the extent the transfer is by way of gift. For all other prescribed family businesses, to the extent the transfer is by way of gift, duty is payable only on the value of the property that exceeds \$500,000. The concessions also apply to indirect acquisitions involving family partnerships, family trusts and family unit trusts.

The family business concessions are long-standing, allow for earlier succession planning and are consistent with the transfer duty exemption for distributions of deceased estates. No other interfamily transfer duty concessions are currently available.

There are no current plans to alter the transfer duty concessions.