

First Home Owner Grant and Moveable Buildings

Revenue Ruling FHOG.001

Preamble

Under the *First Home Owner Grant Act 2000* Victoria (the Act) a grant of up to \$7,000 is payable to a first home owner who satisfies the eligibility criteria and who completes an eligible transaction.

Section 13(6) of the Act provides that if a person purchases a moveable building and intends to use it as a place of residence on land owned by that person, the Act applies as if the person were an owner builder building a house on the land. A moveable building does not include a mobile home or caravan. The commencement date of the transaction is the date of the contract to purchase the moveable building and the completion date is the date that the moveable building is ready for occupation. Section 13(7)(c) of the Act in turn provides that the consideration for the transaction is the actual cost to the owner of carrying out the work (excluding any allowance for the owner builder's own labour). Under the Act, the amount payable as a grant is the lesser of the consideration for the eligible transaction or \$7,000.

It appears to be common practice for a person to acquire a moveable building for little or no consideration but then incur significant costs in removing the building and relocating it onto their land.

The purpose of this ruling is to clarify the circumstances in which the acquisition of a moveable building for no consideration would qualify as an eligible transaction under section 13 of the Act.

Ruling

Where a person acquires a moveable building for no consideration and intends to use it as a place of residence on land owned by that person, the removal and relocation costs will be treated as forming part of the purchase price for the purposes of section 13(7)(c) of the Act. The transaction will accordingly qualify as an eligible transaction under section 13(6) of the Act.

The commencement date in such a case will be the date that the moveable building is relocated on the land and the transaction will be taken to be completed when the moveable building is ready for occupation as a place of residence on the land.

The amount payable as a grant will be the lesser of the costs of removing, relocating and making the moveable building ready for occupation or \$7,000.

In order to receive payment, an applicant must apply to the State Revenue Office and provide the following supporting documentation:

1. A copy of the certificate of occupancy.
2. Proof of acquisition of the moveable building (e.g. letter of confirmation from owner) and a list of itemised costs incurred in removing and relocating the moveable building together with receipts.

or

In exceptional circumstances, a statutory declaration stating from whom the moveable building was acquired and the itemised costs incurred in removing and relocating the moveable building.

Please note that rulings do not have the force of law. Each decision made by the State Revenue Office is made on the merits of each individual case having regard to any relevant ruling. All rulings must be read subject to Revenue Ruling GEN.01.

Commissioner of State Revenue
March 2001

