

General Information Bulletin



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Changes to State Taxes – May 2014

This Bulletin sets out recent changes to the *Congestion Levy Act 2005* and the *Fire Services Property Levy Act 2012*.

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The *State Taxation Legislation Amendment Act 2014* (the Amending Act) received Royal Assent on 13 May 2014. This Act introduces changes to the *Congestion Levy Act 2005* and *Fire Services Property Levy Act 2012*.

Congestion Levy

In the *2013-14 Budget Update*, the Government announced the expansion of inner Melbourne's congestion levy boundary effective from 1 January 2015.

The Amending Act gives effect to this announcement by introducing a new category 2 levy area. From 1 January 2015 leviable parking spaces in the category 2 levy area will be levied at the concessional rate of \$950 per leviable parking space. The levy amount will be indexed annually by the Consumer Price Index from 2016 onwards.

The Amending Act introduces transitional arrangements for car park owners and operators in the category 2 levy area. These arrangements will allow car park owners and operators to pay the 2015 congestion levy based on an estimate of leviable car parking spaces in 2015. The SRO will then make a final adjustment of the levy payable early in 2016 based on the actual number of leviable parking spaces in the 2015 levy year. These arrangements will only apply for the 2015 levy year, and will not impact on the way the congestion levy is currently assessed in the existing category 1 levy area.

The Amending Act introduces new exemptions for parking provided in Yarra Park Reserve and at the Melbourne Zoo. These exemptions will apply from the 2015 levy year. The Amending Act will also introduce a new exemption for car parking spaces that are used by

the general public on a casual basis at Melbourne and Olympic Park. This exemption will apply from the 2014 levy year.

All exemptions and concessions that apply to parking spaces within the existing category 1 levy area will also apply to the new category 2 levy area.

Fire Services Property Levy

The *Fire Services Property Levy Act 2012* (FSPL Act) imposes a Fire Services Property Levy on leviable land in Victoria to fund the Metropolitan Fire and Emergency Board and the Country Fire Authority. The Fire Services Property Levy is collected by local councils, overseen by the State Revenue Office.

For the purpose of calculating the Fire Services Property Levy, the FSPL Act classifies properties into one of six land use classifications:

1. residential
2. primary production
3. commercial
4. industrial
5. public benefit, and
6. vacant.

These classifications are drawn from the Australian Valuation Property Classification Codes (AVPCC) assigned to the land as part of the general valuation conducted by local councils and the Valuer-General every two years.

The Amending Act introduces changes to the land use classification which applies to the following properties from the 2014-15 levy year:

AVPCC	Property Type	Old Classification	New Classification
131	Residential Investment Flats	Commercial	Residential
133	Short Term Holiday Accommodation	Commercial	Residential
812	Outdoor Sports Grounds/Complex (includes stadiums, arenas, courts etc. – usually state/regional centre with likely some commercial application)	Commercial	Public Benefit
813	Outdoor Sports – Extended Areas/Cross Country (likely some commercial application)	Commercial	Public Benefit
822	Outdoor Sports – Extended Areas/Cross Country	Commercial	Public Benefit
640	Water Catchment Area	Industrial	Public Benefit
641	Water Catchment Dam/Reservoir	Industrial	Public Benefit
642	Water Storage Dam/Reservoir (Non-Catchment)	Industrial	Public Benefit
202	Commercial Land (with buildings that add no value)	Commercial	Vacant
303	Industrial Land (with buildings which add no value)	Industrial	Vacant

The Amending Act also makes a number of technical amendments to the FSPL Act to streamline the administration of the Fire Services Property Levy for local councils, including:

- Calculating the Fire Services Property Levy based on the metropolitan fire district rate where a property is located across the metropolitan fire district and the country fire area.
- Allowing the Fire Services Property Levy to be apportioned where two or more lands that are owned by different persons are levied as one parcel of land.
- Allowing the Fire Services Property Levy to be apportioned where land ceases to be, or becomes, leviable during a financial year.
- Aligning the eligibility requirements of the Fire Services Property Levy and rates concession by limiting eligibility to Gold Card Holders that are Totally and Permanently Incapacitated veterans, and allowing a person liable to pay the rates, and a person that holds a resident right in a retirement village, to apply for the concession.

- Requiring local councils to issue a revised assessment if an objection, review or appeal varies the amount of Fire Services Property Levy payable.
- Clarifying that a revised assessment can be sent to the owner of land, or a person that the owner has nominated to receive the council rates or levy assessment notice.

The amendments to the FSPL Act will apply from 1 July 2014.

The Amending Act also makes changes to the *Valuation of Land Act 1960* (VL Act). Although the VL Act is administered by the Valuer-General, a number of these amendments relate to the Fire Services Property Levy. These include changes which will allow a supplementary valuation to be conducted where a change in occupancy affects the AVPCC allocated to land, and to make provision for the Fire Services Property Levy to be adjusted retrospectively where the allocation of the wrong AVPCC has resulted in the land use classification being incorrectly applied. These amendments will apply from 14 May 2014.