

## King & Co Property Management

### Summary of Queensland Land Tax rebate – Covid 19 – issued 9 April 2020

This afternoon the Queensland Government announced a land tax rebate will be available to land owners who are providing rent relief to tenants and to landlords and property owners who have been unable to lease their properties due to the Covid-19 pandemic.

More details are required but a preliminary summary is provided below.

- Main points
  - Commercial and retail tenants will be protected from evictions.
  - Queensland Government providing a three (3) months Land Tax rebate to land owners for 2019/2020 year.
  - Queensland Government providing a three (3) month deferral of Land Tax for the 2020/2021 year – to land owners who provide rent relief for tenants affected by the coronavirus downturn.
- Criteria
  - Landowner rents all or part of a property to a tenant/s OR all or part of a property is available for lease, AND
  - At least one (1) tenant's ability to pay their normal rent OR the land owners ability to secure a tenant is affected by the pandemic, AND
  - The landowner provides rent relief to affected tenants commensurate with the amount of the land tax rebate OR if the property was unable to be leased, the landowner requires land tax relief to meet their financial obligations, AND
  - The land owner complies with the leasing requirements, even if the lease is not regulated.
- King & Co interpretation
  - Whilst not clearly stated in the press release, King & Co believes that the intent of the rebate is to provide relief to land owners, with the amount being the lesser of the available land tax rebate or the amount of the relief that the land owner is giving to the tenant.
  - The only regulated leases in Queensland are retail shop leases. Therefore, the rebate applies to all leases in Queensland.
  - The leasing requirements refers to the National Cabinet Mandatory Code of Conduct for SME Commercial Leasing Principles during Covi-19.
- Examples based on King & Co interpretation
  - Property A
    - Has a land tax payable of \$10,000 for the 2019/2020 year. The rebate available is \$2,500.
    - Is leased to a tenant paying \$150,000 per annum in rent.
    - The tenant is affected by a downturn in trade and seeks rent relief from the owner.
    - The land owner provides rent relief to the value of \$35,000.
    - The land owner retains the land tax rebate of \$2,500.