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Our reference: CN 123456789

1 April 2025

MR JOHN SCAPE
MRS ANN SCAPE
1 COLLINS STREET
MELBOURNE VIC 3000

By email only: johnscape@gmail.com

Dear Mr and Mrs Scape,

ARE YOUR LAND TAX RECORDS CORRECT?

The Revenue Office (RO) collects revenue to assist with delivering essential services and programs for the benefit of all Australians. Our aim is to help all customers meet their state tax responsibilities fairly and efficiently.

The RO is currently running a compliance program to confirm exemptions claimed on properties are correct by data-matching information held in our systems against external sources. In your case, information obtained from Australian Taxation Office indicates the property 1 Toorak Road, Toorak was leased and therefore was not being used as your principal place of residence (PPR).

I have identified that Mr John Scape + Mrs Ann Scape (joint owners) may be incorrectly receiving a PPR land tax exemption for 1 Toorak Road, Toorak.

To make sure our records correctly reflect your property ownership details, including which property should have a PPR exemption applied, I have initiated an investigation into the extent and use of Victorian land owned by each joint owner for the period 31 December 2020 to current.

It is important that you provide all the information requested in this letter by the date specified to ensure your records are correct, thereby enabling you to minimise any penalties imposed.

What you need to know

If you own a property in Victoria, but you do not live in it, you will most likely need to pay land tax. This is because a PPR exemption applies only to a property which you own and live in as your home.

Action required

STEP 1: GATHER THE REQUESTED INFORMATION

1. In relation to 1 Toorak Road, Toorak the dates the property has been used as either joint owner's PPR, was leased or was vacant during the period from 31 December 2020 to current.
2. List all other Victorian land owned by each joint owner from 31 December 2020 and include:
 - purchase and sale settlement dates,
 - the name of all owners, and

- the dates during which the properties were leased, vacant or used as the PPR of each joint owner.
- 3. Each joint owner's current residential address, postal address, email and contact number
- 4. For each joint owner, tell us if you are:
 - an Australian citizen or permanent resident, or
 - a New Zealand citizen with a special visa to stay in Australia, or
 - If you are neither of the above, tell us if you are an individual who ordinarily resides in Australia (and if so, list the dates you lived in Australia during the investigation period).
- 5. Any additional information you feel will help to resolve this matter.

STEP 2: RESPOND TO THIS INVESTIGATION

Please forward your response, with any supporting documentation, marked to my attention by 30 April 2025 to jane.smith@revenue.gov.au.

Absentee owner surcharge

From 2016, an absentee owner surcharge was added to the land tax assessments of absentee persons. In 2019 the rate was 1.5%, increasing to 2% between 2020 and 2023, and to 4% from 2024. Customers must notify us by 15 January each year of their absentee owner status, or face penalties.

Vacant residential land tax

Since 1 January 2018, homes in inner and middle Melbourne that were vacant for more than 6 months (continuous or aggregate) in the preceding calendar year are subject to VRLT, calculated at 1% of the property's capital improved value.

From 1 January 2025, all Victorian homes that were vacant for more than 6 months (continuous or aggregate) in the preceding calendar year are subject to VRLT. The rate increases to 2% for a second consecutive year and 3% for a third consecutive year from 2025.

Owners of vacant properties must notify us by 15 January of each year.

Next steps

Based on the information you provide, we will update your land tax records and where you are entitled to a PPR exemption we will ensure it is applied to the correct property. If this results in an unpaid land tax liability, you will be assessed for land tax for the periods covered by this investigation.

Will penalties be imposed?

If you have previously received a land tax assessment where land was incorrectly specified as exempt or Victorian land you owned (including all your interests in land) was not included, you were obliged to advise us within 60 days of receiving the assessment. Failure to notify us is known as an error or omission notification default.

Since 1 January 2010, trustees of land have been obliged to notify us within one month of a trust event occurring. A trust event may include the acquisition of land. Failure to provide this notification is known as a trust notification default.

If this investigation finds that you are liable to pay further land tax because of a notification default you would ordinarily receive a 25% penalty on the unpaid tax amount. However, if you provide the required information by 30 April 2025 you will receive a reduced penalty rate.

If you don't respond

Most land owners in your circumstances opt to volunteer the required information however, if you choose not to, the PPR exemption will be removed and an assessment (with penalties if applicable) will be issued based on the evidence gathered to date.

You can manage your land tax information quickly and easily online via My Land Tax.

We understand that our request for this information may come at a difficult time for you. If you would like to request an extension of the due date to properly respond and/or produce supporting evidence, please contact me.

Yours sincerely

Jane Smith

A delegate of the Commissioner of Revenue