



Vacant Residential Land Tax - Deadline Looming

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As most property owners in Victoria are now aware, the new Victorian Vacant Residential Land Tax (“VRLT”) came into effect from 1 January 2018. All owners of property in Victoria who are liable to pay the VRLT must notify the State Revenue Office of the details of their properties by no later than 15 January 2018. Failure to do so may result in penalties being imposed on the property owner.

Notification to the State Revenue Office must be made [via its online portal here](#).

The VRLT is different and additional to the federal foreign annual vacancy fee, which is commonly referred to as the “ghost tax” and only applies to foreign owners of Australian residential property. The VRLT applies to all land owners of property in Victoria; not just foreign owners.

By way of a reminder, the key aspects of the VRLT are set out below.

What properties are affected by the vacant residential land tax?

- Subject to some exceptions, lands which are affected by the vacant residential land tax are lands:
 - which are located in 16 the municipalities, namely, Banyule, Bayside, Boroondara, Darebin, Glen Eira, Hobsons Bay, Manningham, Maribyrnong, Melbourne, Monash, Moonee Valley, Moreland, Port Phillip, Stonnington, Whitehorse and Yarra; and
 - which are capable of being used solely or primarily for residential purposes.
- Lands on which a residence is being constructed or renovated, and is capable of being used for residential purposes before and after the commencement of the building works may also be subject to the VRLT. The VRLT will be imposed if the building works are not completed within two years from the date of the building permit.

People that can help



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Exemptions

- Land which is occupied or used as a residential aged care facility, or for supported residential services, or as a retirement village, is not subject to the VRLT.
- Land on which a residence is being constructed or renovated will not be subject to the VRLT if the construction works are completed and the property occupied within two years from the date of the building permit.
- Holiday homes are generally exempt from the VRLT. However, the property owner must have a different principal place of residence in Australia, and must have occupied the property for at least 4 weeks in a calendar year. An owner may only claim the exemption for one holiday home in a calendar year.

Properties which are owned and occupied by an owner for work purposes may be exempt. However, the owner must have a different principal place of residence, and must have occupied the property for at least 140 days in a calendar year. If a property changes ownership during a year, it is not subject to the VRLT in the following year. A change in the manner of holding between two or more owners is not enough to satisfy this exemption.

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