

Principal Place of Residence (PPR) Concession and First Home Buyer Duty Reduction Statutory Declaration

PRINCIPAL PLACE OF RESIDENCE (PPR) CONCESSION:

The Principal Place of Residence (PPR) Concession provides a reduction of the duty payable of up to \$3100, on a PPR property where the purchase price is more than \$130,000 but not more than \$550,000 where the transferee is a genuine purchaser for adequate consideration.

Where the purchase price is:

- more than \$130,000 but not more than \$440,000 – duty reduction of up to \$3100 on a sliding scale;
- more than \$440,000 but not more than \$550,000 – duty reduction of \$3100.

This declaration is used to claim the principal place of residence concessional rate of duty if you have entered into a contract of sale on or after 6 May 2008.

FIRST HOME BUYER DUTY REDUCTION:

The First Home Buyer Duty Reduction provides a reduction of the duty payable by eligible first home buyers on a PPR property if the purchase price is no more than \$600,000. For PPR homes with a value of \$130,000 - \$550,000, the reduction will be applied to the duty payable after the PPR concession has been calculated.

The First Home Buyer Duty Reduction is applicable where the settlement date of the property is on or after 1 July 2011. Applicants for the reduction must also have received or be eligible for the First Home Owner Grant (FHOG).

If you are buying or have bought a property as your PPR and you are a first home owner, you may also be eligible for:

- the First Home Owner Grant (FHOG) of \$7000; **and**
- the First Home Bonus (Bonus); **and**
- the Regional First Home Bonus for newly constructed homes if in regional Victoria.

PART 1 – WHEN SHOULD YOU COMPLETE THIS FORM?

You are required to complete this form if:

For PPR Concession:

- you have entered into a contract of sale on or after 6 May 2008; **and**
- the **total purchase price** is more than \$130,000 but not more than \$550,000; **and**
- you have purchased: (a) an existing home; **or**
(b) land on which a home will be built; **and**
- the property purchased will be used as your principal place of residence for a period of no less than 12 months commencing within 12 months of the settlement date.

For First Home Buyer Duty Reduction:

- settlement for the property occurs on or after 1 July 2011; **and**
- you have received or are eligible to receive the First Home Owner Grant; **and**
- the **total purchase price** not more than \$600,000; **and**
- you have purchased: (a) an existing home; **or**
(b) land on which a home will be built; **and**
- the property purchased will be used as your principal place of residence for a period of no less than 12 months commencing within 12 months of the settlement date.

PART 2 – WHO CAN MAKE THIS DECLARATION?

This statutory declaration should be made by **any transferee** who intends to occupy the purchased property as their principal place of residence. It may also be made by a transferee who is the guardian of a person under a legal disability, where the person with the disability intends to occupy the purchased property as their principal place of residence.

I, Mr Mrs Miss Ms

Full name

Phone number

Address

State

Postcode

of _____

do solemnly and sincerely declare that in the matter of the *Duties Act 2000* that:

I am a **transferee** who intends to occupy the purchased property referred to in Part 4 of this form ("this property"), or

I am **the guardian** of a person under a legal disability and that person intends to occupy this property as his or her principal place of residence, namely:

Attach copies of any instrument of trust, court order, etc. pursuant to which you are the guardian.

PART 3 – RESIDENCE REQUIREMENT

The PPR Concession and First Home Buyers Duty Reduction are both subject to the requirement that at least **one transferee** occupies the land as his or her principal place of residence for a continuous period of 12 months commencing within the 12 month period immediately after the transferee became entitled to possession of the land.

3.1 I intend to occupy this property as my principal place of residence.

Yes No

3.2 The **intended date** of occupation is:

D D M M Y Y Y Y

3.3 I undertake to advise the Commissioner of State Revenue in writing, within 30 days of becoming aware that the residence requirement will not be met

Yes No

PART 4 – PROPERTY DETAILS

The street address of this property is:

State

Postcode

being land described in:

Volume/Conveyance

Folio/Book

If insufficient space, attach a schedule.

The interest/share being transferred is (for example, full, $\frac{1}{2}$, $\frac{1}{4}$):

For land use entitlements:

Name of company or unit trust Number of shares/units being transferred

See Explanatory note 8 for the definition of "land use entitlement".

PART 5 – TRANSFEREES

Name all the transferees in the transfer.

Where a transferee is under 18 years of age or is acting as a guardian for a person under a legal disability, please tick the relevant box and note the additional requirements outlined at Explanatory note 3.

State the **full names of all the transferees** in the transfer:

Date of birth

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
D	D	M	M	Y	Y	Y	Y

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
D	D	M	M	Y	Y	Y	Y

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
D	D	M	M	Y	Y	Y	Y

Under 18?

Guardian?

PART 6 – CONTRACT OF SALE DETAILS

6.1 The date of the contract of sale for the land or land and dwelling is:

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
D	D	M	M	Y	Y	Y	Y

Attach original or complete copy of the contract of sale.

Please Note: Do NOT send original Contract of Sale when lodging by mail.

6.2 The purchase price stated in the contract is:

\$ _____

6.3 The contract to purchase this property is:

the purchase of an **existing dwelling**; or

an **off-the-plan purchase**; or

the purchase of **vacant land on which a dwelling is to be built within 12 months** of becoming entitled to possession of the land.

6.4 State the **full names of all the vendors** in the contract:

6.5 State the **full names of all the purchasers** in the contract:

Please Note: If the purchasers in the contract are different from the transferees on the transfer, complete and submit SRO Duties Form 6A – Transactions treated as sub-sales of land statutory declaration

6.6 In the contract of sale, are the vendor(s) and the purchaser(s) associated or related? See Explanatory note 6.

Yes No

If yes, the purchaser must provide proof of payment of purchase monies and evidence of the market value of the property. See Explanatory note 7.

PART 7 – FIRST HOME BUYER DUTY REDUCTION

You should only complete this Part if you are eligible to receive the FHOG for the purchase of this property.

7.1 Have you received the FHOG for this property?

Yes; If yes, please state the FHOG UIN _____ (Go to Part 8)

No; If no, see part 7.2

7.2 Have you applied to receive the FHOG for this property either directly to the SRO or via your financial institution?

Yes; If yes, please state the FHOG UIN _____

No; If no, please lodge the **FHOG Application Form** together with all relevant supporting documentation with this form to the SRO.

Please Note: Should you fail to meet the requirements of the FHOG, an assessment will be issued for the value of the First Home Buyers Duty Reduction received. (See 'Explanatory note 5').

PART 8 – DECLARATION

I acknowledge that this statutory declaration is true and correct, and I make it in the belief that a person making a false declaration is liable to the penalties for perjury.

Declared at

_____ in the State of Victoria

on this _____ day of _____ year

Signature of declarant

Signature of witness

Before me* _____

Qualification to witness

Full name

Address _____ State _____ Postcode _____

* A person empowered under section 107A(1) of the *Evidence Act 1958* to witness the signing of a statutory declaration.

PART 9 – CHECKLIST OF DOCUMENTARY EVIDENCE

All the following documents must be produced with this form:

- the original completed transfer of land, signed and dated;
- SRO Duties Form 1 (Goods statement for residential land); or SRO Duties Form 2 (Goods statutory declaration);
- the contract of sale referred to in Part 6, either original or a complete copy;
- SRO Duties Form 6A Transactions treated as sub-sales of land statutory declaration, if applicable (Part 6);
- the relevant off-the-plan form; SRO Duties Form 4A-E Off the Plan Sales statutory declaration for contracts dated on or after 1 October 2008. For contracts dated before 1 October 2008 complete SRO Duties Form 4 Land & Building Packages statutory declaration or SRO Duties Form 5 Refurbished Lots statutory declaration (see Part 6.3);
- if any transferee is acting as guardian for a person under a legal disability (see Part 5), copies of any instrument of trust, court order, etc. pursuant to which the transferee is guardian;
- evidence of value and payment of consideration, if applicable (see Part 6.6);
- if you are applying for a refund, in addition to providing copies of items 3–7 above as applicable, you must also lodge a photocopy of the registered transfer showing the Victorian Land Titles Office dealing numbers.

Note: Any application for a refund for duty relating to this PPR concession must be made within 5 years from the date that the duty was paid

Unless stated otherwise, all section numbers are references to the *Duties Act 2000*.

1. Principal place of residence concession: sections 57G-57N

The PPR concession applies to transfers of land resulting from contracts of sale entered into on or after 6 May 2008. The concession is available for purchasers of land and a dwelling (or land on which they intend to build a dwelling) which is intended to be occupied as the principal place of residence by at least one transferee. The PPR concession is subject to the residence requirement. See Explanatory note 4.

Dwelling - a building affixed to the land that is designed and constructed primarily for residential purposes.

Land with an established dwelling - The aggregate value of the land and the dwelling must be \$550,000 or less. The relevant value is the consideration or the unencumbered value of the land and dwelling, whichever is the greater.

Vacant land - Where the land is vacant at the time of the transfer, the relevant value is the consideration or the unencumbered value of the land, whichever is the greater. The value of the land cannot exceed \$550,000. To satisfy the residence requirement, there would need to be a completed dwelling on the land within 12 months of the transfer. If you did not receive the PPR concession when the land was transferred, you can apply for a refund for the amount of the PPR concession if a dwelling was completed on the land within 12 months and at least one transferee occupies the property as their principal place of residence.

'Off the plan' property - Where there is no completed dwelling on the land at the time of the contract but a dwelling is to be completed before the transfer, i.e. an off-the-plan sale, the relevant value is the consideration after application of the land and building concession in section 21(3) or the refurbishment concession in section 21(4) provided that the dutiable value is \$550,000 or less.

2. First Home Buyer Duty Reduction:

The First Home Buyer Duty Reduction is available to eligible first home buyers on new and established homes valued up to \$600,000 where settlement is effected on or after 1 July 2011.

The rate of duty for properties bought by first home buyers as their PPR will be reduced by 20% from 1 July 2011, increasing progressively to 50% by September 2014.

For PPR homes with a value of \$130,000 - \$550,000, the First Home Buyer Duty Reduction will be applied to the duty payable after the PPR concession has been calculated. For PPR homes with a dutiable value of \$550,000 - \$600,000, the duty reductions will simply be applied to the duty payable under the standard rate of duty set out in section 28 of the Duties Act.

First Home Buyer Stamp Duty Reduction Schedule				
Duty Reduction	-20%	-10% (30%)	-10% (40%)	-10% (50%)
Settlement date (on or after)	1 July 2011	1 January 2013	1 January 2014	1 September 2014

Note - This new rate is not applicable to the Pensioner Concession, First Home Buyers With Family Concession and Young Farmers Concession.

3. Eligible transferees

For the PPR concession to apply, each transferee must be:

- (a) a natural person who is over 18 years of age (unless the Commissioner of State Revenue determines to waive this requirement); and
- (b) a bona fide purchaser for adequate consideration (see note below).

Where there is more than one transferee, at least one of the transferees must occupy the property as their principal place of residence.

Note: The concession is only available to genuine purchasers for adequate consideration. The payment of adequate consideration is an eligibility requirement for the principal place of residence (PPR). This ensures that duty relief is available only to purchasers who provide full consideration for a property purchased (or fractional interest purchased) and not to those who have already benefited by purchasing at a heavily discounted price or have received the property as a gift.

If a transferee is acting as guardian of a person under a legal disability, it is the person under the legal disability who must meet these requirements.

If any transferee is under 18 years of age, you must apply to the Commissioner of State Revenue in writing to waive the requirement that each transferee be at least 18 years of age.

4. Residence requirement: section 57K

Both the PPR Concession and First Home Buyer Duty Reduction are subject to the requirement that at least one transferee occupies the land as his or her principal place of residence for a continuous period of 12 months commencing within the 12 month period immediately after the transferee became entitled to possession of the land.

If you receive the PPR concession and/or the First Home Buyer Duty Reduction and you become aware that the residence requirement will not be met, you must advise the Commissioner of State Revenue of the circumstances in writing within 30 days.

5. 'Claw back' Provision:

It is the responsibility of the applicant to provide the Commissioner with written notice within 30 days of becoming aware of any circumstances that may result in the PPR concession or the First Home Buyers Duty Reduction not being complied with.

A failure of a recipient to comply with the legislative requirements in relation to either of the above benefits does not affect the Commissioners ability to reassess duty.

6. Associated person is defined in section 3.

Associated persons include relatives, natural persons and companies. For a full list of associated persons refer to the definition.

7. Evidence of value and purchase price

For sales between associated or related persons, the following must be produced with this form:

- (a) proof of payment of the purchase price e.g. bank statements, loan agreements and receipts (Part 6.6);
- (b) evidence of market value of the property (Part 6.6):
 - (i) a letter of appraisal from a licensed real estate agent and copy of Rate Notice; or
 - (ii) a valuation by a certified practising valuer who is a member of the Australian Property Institute or by a member of the Real Estate Institute of Victoria with sworn valuer accreditation; or
 - (iii) in circumstances where a letter of appraisal or sworn valuation could not be obtained, complete SRO Duties form-3 (Real property value statutory declaration). This form requires an explanation of the steps taken to obtain either a letter of appraisal or a valuation.

8. Land use entitlement: section 10(1)(a)(v)

A land use entitlement is an entitlement to occupy land in Victoria conferred through an ownership of shares in a company or units in a unit trust scheme, or a combination of a shareholding or unitholding together, with a lease or license.

INFORMATION PRIVACY ACT 2000

This information is collected by the SRO to establish whether you are eligible for the principal place of residence duty concession or the reduction of duty for eligible first home buyers. If you do not provide the information required we may not be able to process your application for the concession or the reduction of duty. The information collected may be used for the purposes of other SRO legislation. Where authorised to do so, we may also disclose this information to other government agencies, including the ATO, State and Territory Revenue Offices, and law enforcement agencies. You can find out more about how we use and protect your information in our Privacy Policy on www.sro.vic.gov.au. If you require access to the information that you have provided us, please contact the SRO on 13 21 61.

By correspondence	Website www.sro.vic.gov.au
State Revenue Office, GPO Box 1641, MELBOURNE, VIC 3001 or DX 260090 Melbourne	Email sro@sro.vic.gov.au
In person	Phone 13 21 61 (local call cost)
State Revenue Office, Level 2, 121 Exhibition Street, Melbourne For SRO counter service hours, please visit www.sro.vic.gov.au/counter	Fax 03 9628 0021

