

29 June 2009

State Government lifts land tax prohibition

On 17 June 2009 the Queensland State Parliament passed the *Revenue and Other Legislation Amendment Act 2009* which affects landlords.

This legislation removes the restrictions under the *Land Tax Act 1915* on landlords being able to pass on land tax directly to tenants. However restrictions under the *Residential Tenancies Act 1994* and the *Retail Shop Leases Act 1994* remain unchanged.

The amendments will apply to new leases only. The Act does not allow land tax to be passed on under pre-existing lease documents that mention the recovery of the tax.

A landlord will be unable to recover land tax in situations where:

- a. A lease is entered into before 1 July 2009;
- b. A lease is the result of an option to renew under an existing lease entered into prior to 1 July 2009; or
- c. A lease arises from the assignment of an existing lease entered into prior to 1 July 2009.

If you have any questions in relation to the new legislation please contact:

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