FORM OSR – LT11
Land tax exemption – land used for the business of agriculture, pasturage or dairy farming

Version 11 – April 2016

Queensland Government

Land Tax Act 2010 sections 53 and 76(1)

Complete this form to claim a primary production exemption on land that is used solely for the business of agriculture, pasturage or dairy farming at the liability date (30 June of the relevant year).

Eligibility

To be eligible for a primary production exemption:

- the owner must be one of the following
  - an individual (other than a trustee or absentee)
  - a relevant proprietary company
  - a trustee of a trust (if all the beneficiaries are individuals, relevant proprietary companies or charitable institutions)
  - a charitable institution
- the land, or part of the land, at the liability date must be used solely for the business of agriculture, pasturage or dairy farming. Where part of the land is used solely for primary production, only that part is eligible for an exemption.

By completing and submitting this form, you are confirming that you are eligible for the exemption and will comply with your obligations. If you fail to comply, you will be required to pay the land tax on the exempted value. Penalty tax and interest may also apply.

If the exemption is allowed, it will apply for the liability date and subsequent years—you do not have to re-apply each year. However, you must give written notice to the Commissioner if the land ceases to be used solely for the business of primary production or there is a change in ownership that affects your eligibility.

More information

- Visit www.qld.gov.au/landtax.
- Read public rulings (available online):
  - *LTA053.1—Guidelines for determining the business of agriculture, pasturage or dairy farming*
  - *LTA053.2—Exemption for the business of agriculture, pasturage or dairy farming—forestry.*
- See 'Definitions' on page 2.

Instructions

You must complete each part of this form:

- Part A—Declaration
- Part B—Land owner details
- Part C—Liability date
- Part D—Eligibility of owner
- Part E—Eligibility of land.

Send the completed form to the Office of State Revenue by email or post:

- landtax@treasury.qld.gov.au
- GPO Box 2476, Brisbane 4001.

Definitions

Absentee

A person who does not ordinarily reside in Australia.

Agriculture, pasturage, or dairy farming

Production activities involving:

- the cultivation of the land
- the maintenance of animals for the purpose of selling them or their bodily produce
- the growing of plants in sand, gravel, or liquid, without soil and with added nutrients.

Beneficiary

A person entitled to a beneficial interest in land or income derived from the land that is owned on behalf of a trust. This includes all beneficiaries who have an indirect interest in the land or income through another trust.

Business of forestry

Forestry activities are considered a business of agriculture where a plantation or forest on the land is tended and:

- the trees are to be felled for timber
- the trees are sold
- the produce from the trees is sold.

Read public ruling LTA053.2 for more information.

Business of primary production

Agriculture (including certain forestry activities), pasturage or dairy farming activities that are substantially for commercial purposes.

To be eligible for the exemption, the Commissioner must be satisfied that the production activity constitutes a business and not a hobby or other non-exempt activity. Relevant factors that are considered include:

- whether the activity has a significant commercial purpose or character
- whether there is more than just an intention to engage in a business (the extent of preparatory activities undertaken is relevant—relevant activities may include clearing of land, fence and dam constructions, etc.)
- whether there is an intention to make a profit as well as the profitability of the activity
- whether there is repetition and regularity of the activity
- whether the activity is of the same kind and carried on in a similar manner to that of the ordinary trade in that line of business
- whether the activity is planned, organised and carried on in a businesslike manner such that it is directed at making a profit
- the size, scale and permanency of the activity
- whether the activity is better described as a hobby, a form of recreation or a sporting activity.

These factors are not alone conclusive, and the relevance and weight to be given to each factor will depend on the facts of each particular case. Read public ruling LTA053.1 for more information.

Charitable institution

An institution registered with the Office of State Revenue as a charitable institution under the *Taxation Administration Act 2001*.

To register, the institutions must complete and submit an application for registration as a charitable institution (Form TA3).

Individual

A natural person who ordinarily resides in Australia.

Liability date

30 June of the year you declare on the form.

Relevant proprietary company

A company that is registered as a proprietary company under the *Corporations Act 2001* that is not:

- an exempt foreign company

and

- owned directly (or indirectly through interposed companies or trusts) by a body corporate, other than another proprietary company that is not an exempt foreign company.

For example, the exemption would not apply where the ultimate holding company is a public company or a proprietary company that is exempt from providing financial statements to the Australian Securities and Investments Commission.

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Part A – Declaration

I confirm that:

(a) The information I supply in this form is true and correct.

(b) I will notify the Office of State Revenue before 31 July if:

- there is any change to the owner that affects eligibility (e.g. shareholdings change, beneficiaries change or they become an absentee)
- the land or exempt part of the land ceases to be used solely for the business of primary production
- any part of the land begins to be used for a non-primary production activity.

Authorised person's signature

Name

Date / /

Contact phone number

Under the *Taxation Administration Act 2001*, it is an offence to give false or misleading information. Failing to notify of changes that affect an exemption is also an offence. Maximum penalty: $11,000

Part B – Land owner details

Each owner must complete a separate form.

Client number

(This can be found on your Office of State Revenue correspondence or assessment notice.)

Land owner's name

Date of birth / /

ACN

ABN

Your correspondence details

C/-

Unit/Flat/Building no.

House no.

Street address / PO Box

Suburb

State

Postcode

Telephone number

To receive information via your mobile phone or email, complete the details below.

Mobile number

Email address

Part C – Liability date

This claim is made for land owned at 30 June Y Y Y Y

If approved, the exemption will be applied to your land (described in Part E) for all financial years following this date until there is a change in circumstances.

Part D – Eligibility of owner

Select one of the following types that describes the owner of the land.

Individual	☐	*Go to Part E.*
Relevant proprietary company	☐	*Complete section (a).*
Trustee	☐	*Complete section (b).*
Charitable institution	☐	*Complete section (c).*

(a) Relevant proprietary company

i. Is the owner registered as a proprietary company under the *Corporations Act 2001*?

Yes ☐

No ☐ The exemption will not apply.

ii. Is any share or interest in the owner held, directly or through interposed companies or trusts, by a company that is not registered as a proprietary company under the Corporations Act?

Yes ☐ The exemption will not apply.

No ☐ *Go to Part E.*

(b) Trustee

Trust name

List the beneficiaries of the trust and any beneficiaries who hold an interest through a series of trusts.
Include name or company name, date of birth, address, contact number and any other relevant details, such as ACN or ABN.

If any of the above beneficiaries are companies, are they all relevant proprietary companies?

Yes ☐ *Go to Part E.*

No ☐ The exemption will not apply.

(c) Charitable institution

Is the charitable institution registered under the *Taxation Administration Act 2001*, Part 11A?

Yes ☐ *Go to Part E.*

No ☐ *You must also complete Form TA3— Application for registration—charitable institution.*

Part E – Eligibility of land

(a) Provide details for all land used for the primary production business.

Your lot and plan details are usually found on your council rates notice, valuation notice (issued by the Department of Natural Resources and Mines) or correspondence from the Office of State Revenue.

Lot no.	Plan no. (e.g. SP, RP)	Street address	Postcode
Lot no.	Plan no. (e.g. SP, RP)	Street address	Postcode

If more space is required, attach a separate sheet.

(b) Select the types of primary production businesses conducted on the land.

☐ Agriculture ☐ Pasturage ☐ Dairy farming ☐ Forestry ☐ Other

Provide details (including circumstances of mixed use).

(c) Describe the nature and extent of primary production activities conducted on the land, including all improvements made to the land that support these activities.

- To determine if land is for a business of agriculture, pasturage or dairy farming, refer to public ruling LTA053.1. Hobby farms and activities for sporting or recreational purposes (i.e. equestrian, racing, venue hire) are not considered businesses of primary production.
- If you are preparing a site to conduct a business of primary production, attach details supporting your planned use of the land—this may include a copy of business plans, copies of bank loan applications, evidence of preparations conducted prior to your application, and details of time frames.
- If the land is not being used at the relevant liability date, provide further details (e.g. land has been destocked due to drought; rotation policy for crops).
- Read public ruling LTA053.2 to find out what factors the Commissioner considers to determine if the land is being used for the business of forestry.

(d) Is a person who is not the land owner conducting the primary production business?

No ☐

Yes ☐ *Attach a copy of the current lease or other agreement.*

(e) Attach evidence of how the land was used for the financial year before the liability date.

Evidence relating to a primary production business may include:

- profit and loss statements, balance sheets, livestock trading accounts (if livestock is traded)
- the property identification code (PIC) for the land and copies of waybills evidencing movement of stock
- details of any other licences, registrations and approvals obtained to conduct the business.

(f) Was the land used solely for the primary production business described above?

Examples of other uses include:

- an area of the land used for a quarry or mining activity
- a residence on the land
- an area of land used for training and maintaining horses for racing or other equestrian activities
- a shop, wine-producing activities, cheese production, abattoir, bottling facility, etc.

Yes ☐

No ☐ *Provide details (e.g. type of activity, area of land used for non-primary production purposes, gross income produced by non-primary production purpose, and any other relevant facts).*

If only part of the land is exempt, the part used for other activities will be assessed on its proportional taxable value.

Provide estimates of:

- area of land used **solely** for business of primary production

  m2

- area of land used for other activities

  m2

- area of land not used for any activity.

  m2 Provide details why land is not used for any activity.

(g) Are you planning to use any part of the land for a non-primary production purpose in the future?

No ☐ *Submit form.*

Yes ☐ *Provide details of your intended activity and dates of related activities (e.g. details of planned subdivision including plan registration; off-the-plan sales and copies of business plans).*

The Office of State Revenue is collecting the information on this form for the purposes of administering State revenue. Collection of this information is authorised by the *Land Tax Act 2010*. Your personal information will not be disclosed without your consent except in the circumstances outlined in the *Taxation Administration Act 2001* or as otherwise authorised by law.

Office of State Revenue
GPO Box 2476
Brisbane Qld 4001
Email: landtax@treasury.qld.gov.au
Ph: 1300 300 734

Visit our website at **www.qld.gov.au/osr** for information about land tax and other state taxes.

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