

# Buying real property in Queensland

## Transfer duty

Under the provisions of the *Duties Act 2001* when you enter into a transaction relating to property in Queensland, you may be required to pay transfer duty.

### How is transfer duty on real property calculated?

Transfer duty payable on real property acquisitions (including improvements) is calculated on the purchase price or the unencumbered value (whichever is the greater).

### Non-owner occupied property

Purchase price/value	Duty
Up to \$20,000	\$1.50 for every \$100 or part of \$100
\$20,001 to \$50,000	\$300 + \$2.25 for every \$100 or part of \$100 over \$20,000
\$50,001 to \$100,000	\$975 + \$2.75 for every \$100 or part of \$100 over \$50,000
\$100,001 to \$250,000	\$2,350 + \$3.25 for every \$100 or part of \$100 over \$100,000
\$250,001 to \$500,000	\$7,225 + \$3.50 for every \$100 or part of \$100 over \$250,000
Over \$500,000	\$15,975 + \$3.75 for every \$100 or part of \$100 over \$500,000

Examples:

Purchase price/value	Calculation	Duty
\$120,000	2,350 + (3.25% of (120,000 – 100,000))	\$3,000
\$260,000	7,225 + (3.5% of (260,000 – 250,000))	\$7,575

### Owner occupied

If you are acquiring a place of residence with the intention of occupation as your home, a concessional rate of transfer duty is applicable.

#### What is a 'residence'?

A residence is a building, or part of a building, that is:

- fixed to land
- designed, or approved by a local government, for human habitation by a single family unit and
- used for residential purposes.

#### What is a 'home'?

A residence will be your home if you occupy it as your principal place of residence within one year of being entitled to possession of the property under the acquisition.

Note: All claims are subject to an audit to ensure that the occupancy conditions are complied with (see Reassessment).

### Concessional rate

If the transaction is entered into prior to 1 August 2004

Purchase price/value	Duty
Up to \$250,000	\$1.00 per \$100 or part of \$100
\$250,001 to \$500,000	\$2,500 + \$3.50 per \$100 or part of \$100 over \$250,000
Over \$500,000	\$11,250 + \$3.75 per \$100 or part of \$100 over \$500,000

Examples:

Purchase price/value	Calculation	Duty
\$240,000	1% of 240,000	\$2,400
\$300,000	2,500 + (3.5% of (300,000 – 250,000))	\$4,250

If the transaction is entered into on or after 1 August 2004

Purchase price/value	Duty
Up to \$300,000	\$1.00 per \$100 or part of \$100
\$300,001 to \$500,000	\$3,000 + \$3.50 per \$100 or part of \$100 over \$300,000
Over \$500,000	\$10,000 + \$3.75 per \$100 or part of \$100 over \$500,000

Examples:

Purchase price/value	Calculation	Duty
\$270,000	1% of 270,000	\$2,700
\$330,000	3,000 + (3.5% of (330,000 – 300,000))	\$4,050

## First home buyers

If the home will be your first home, you may be entitled to a further concession in the form of a rebate.

For transactions before 1 May 2004, the rebate may not be available if:

- the transfer is by way of gift (eg a transfer for natural love and affection) or
- the purchase price is less than the market value of the property (a partial gift).

For transactions on or after 1 May 2004, the rebate is not available if:

- the market value of the land is over \$250,000, and
- the purchase price is less than the market value of the property (a partial gift) or nil (a total gift).

### What is a 'first home'?

A residence will be your first home if, before acquiring the home, you do not currently hold and have never held an interest in other residential land anywhere.

If the transaction is entered into prior to 1 May 2004:

Purchase price/value	Rebate
Up to \$80,000	\$800 (i.e. no duty)
\$80,001 to \$150,000	\$500
\$150,001 to \$155,000	\$300
\$155,001 to \$160,000	\$200
Over \$160,000	Nil

Examples:

Purchase price/value	Calculation	Duty
\$100,000	(1% of 100,000) - \$500	\$500
\$157,000	(1% of 157,000) - \$200	\$1,370

If the transaction is entered into on or after 1 May 2004:

Please note that all persons claiming the first home transfer concession must be at least 18 years of age if they have entered into a transaction on or after 1 May 2004. However the Commissioner of State Revenue has a discretion to exempt an individual from this requirement in genuine circumstances.

Purchase price/value	Rebate
Up to \$250,000	\$2,500 (i.e. no duty)
\$250,000 to \$259,999	\$2,500
\$260,000 to \$269,999	\$2,400
\$270,000 to \$279,999	\$2,300
\$280,000 to \$289,999	\$2,200
\$290,000 to \$299,999	\$2,100
\$300,000 to \$309,999	\$2,000
\$310,000 to \$319,999	\$1,900
\$320,000 to \$329,999	\$1,800
\$330,000 to \$339,999	\$1,700
\$340,000 to \$349,999	\$1,600
\$350,000 to \$359,999	\$1,500
\$360,000 to \$369,999	\$1,400
\$370,000 to \$379,999	\$1,300
\$380,000 to \$389,999	\$1,200
\$390,000 to \$399,999	\$1,100
\$400,000 to \$409,999	\$1,000
\$410,000 to \$419,999	\$900
\$420,000 to \$429,999	\$800
\$430,000 to \$439,999	\$700
\$440,000 to \$449,999	\$600
\$450,000 to \$459,999	\$500
\$460,000 to \$469,999	\$400
\$470,000 to \$479,999	\$300
\$480,000 to \$489,999	\$200
\$490,000 to \$499,999	\$100
\$500,000	Nil
Over \$500,000	Nil

#### Examples for transactions entered into from 1 May 2004-31 July 2004

Purchase price/value	Calculation	Duty
\$280,000	2,500 + (3.5% of (280,000 - 250,000)) - rebate \$2,200	\$1,350
\$495,000	2,500 + (3.5% of (495,000 - 250,000)) - rebate \$100	\$10,975

#### Examples for transactions entered into on or after 1 August 2004

Purchase price/value	Calculation	Duty
\$280,000	2800 - rebate \$2200	\$600
\$495,000	3000 + (3.5% of (495,000 - 300,000)) - rebate \$100	

Note: Conditions of occupancy of the residence applies as for the concessional rate above.

First home buyers may also be eligible for the First Home Owner Grant. Applications for the grant may be made on the First Home Owner Grant Application Form.

## How to claim

A declaration in the approved form is to be completed and submitted at the time of lodgement. Claims by multiple parties may also be made depending on the number of purchasers and their entitlement to the various concessions available.

## Lodgement

A contract or transfer for any real property in Queensland is required to be lodged for stamping purposes within 30 days from the date of execution. The documents can be lodged by post or personally at any Office of State Revenue (OSR) service centre.

## Payment

The duty assessed is required to be paid within 30 days from the date of issue of the assessment notice. To ensure instruments are stamped and delivered without delay, payment can be made by:

- cash
- bank cheque
- solicitor's trust account cheque

- credit union or building society's own cheque (not drawn on customer's account).

Where payment is made by cheque (other than cheque types specified) for \$100 or more, the relevant instrument will be retained for five working days to allow the cheque to clear.

## Unpaid Tax Interest (UTI) and penalty tax

UTI is imposed on a daily basis at the rate of 13.51 per cent on any unpaid portion of tax, until the tax is paid in full. UTI does not accrue on amounts other than tax and is unaffected by the granting of an extension of time by the Commissioner for lodging documents, providing information or making payments.

OSR has developed a UTI Calculator, which can be downloaded from the calculators webpage. Additional information about UTI can also be found on the OSR website at [www.osr.qld.gov.au](http://www.osr.qld.gov.au)

Penalty tax applies in certain cases of non-compliance with the duties legislation. The rate of penalty tax is 75 per cent but the amount on which penalty tax is calculated depends on the nature of the assessment. Additional information about penalty tax can be found on the OSR website.

## Reassessment

Reassessment of duty may apply in certain situations such as when occupancy requirements are not met within the required timeframes. For detailed information please refer to our website.

## Further information

OSR provides revenue rulings, practice directions, information sheets and approved forms to assist you in meeting your taxation obligations. These publications may be accessed by visiting our website or by calling the Client Contact Centre on 1300 300 734.

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