

Two relief measures relating to 2021 land tax have been announced by the Victorian Government:

1. Land tax reduction and deferral for landlords, including those with properties that have multiple tenancies, and commercial owner-occupiers - [announced on 4 September 2020](#) and in [December 2020](#).
2. [Vacant residential land tax waiver](#) for 2021 - [announced on 10 September 2020](#).

Information about the [2020 land tax relief and deferral for landlords and commercial owner-occupiers](#) is also available on our website.

1. Land tax reduction and deferral for landlords and commercial owner-occupiers

Applications are:

- open for:
 - residential landlords, and
 - landlords of properties with multiple tenancies (residential and/or commercial).
- not yet open for:
 - commercial landlords of properties with a single tenancy, and
 - owner-occupiers.

Applications close on 30 June 2021.

Land tax reduction of 25% and deferral for eligible landlords

Landlords and tenants are encouraged to work together to provide tenants impacted by the coronavirus pandemic with rent relief consistent with the principles of the Support to Landlords and Tenants package. This includes taking into account the tenant's reduction in income or turnover as a result of coronavirus.

More information on the principles of the Support to Landlords and Tenants package for residential leases is available on the [Consumer Affairs website](#) and for commercial leases on the [Small Business Commissioner website](#).

Landlords who provide tenants impacted by coronavirus with rent relief consistent with the principles of the Support to Landlords and Tenants package between 1 January 2021 and 28 March 2021 may be eligible for a 25% reduction on the property's 2021 land tax (exclusive of [any absentee owner surcharge](#)).

These landlords can defer paying the remainder of their 2021 land tax assessment (and any 2020 land tax previously deferred under the 2020 relief measures) until, or before, 30 November 2021. They can also have any amounts of their 2021 land tax liability that they have already paid returned but must pay their 2021 land tax liability (as reduced by this relief measure) by 30 November 2021.

Eligible residential arrangements include tenancy agreements, specialist disability accommodation agreements and site agreements. Most holiday accommodation, such as hotels, motels, and bed and breakfasts, as well as rooms in rooming houses, are not rented under eligible residential arrangements, and are therefore not eligible for land tax relief.

For commercial landlords to be eligible, they must provide rent relief consistent with the [Commercial Tenancy Relief Scheme](#). They must also get their tenant to declare to them (tenants can use our [commercial tenant details SmartForm](#) and then email it to their landlord) that they meet the conditions in either of these two categories:

1. For general commercial tenants:

- annual aggregated turnover was no greater than \$50 million in either the 2019-2020 or 2020-21 financial year, and
- they are eligible for, and participating in, the [Australian Government's JobKeeper Payment](#) in the March 2021 quarter.

2. For commercial tenants operating a licensed pub, club or restaurant under a general, full club or on-premises liquor licence:

- at the premises level, annual turnover was no greater than \$50 million in either the 2019-2020 or 2020-21 financial year, and
- turnover at that premises in the December 2020 quarter reduced by at least 30% relative to the March 2020 quarter.

We will not provide land tax relief if we determine that the rent relief provided by a landlord to a tenant is:

- not genuine and is not consistent with the principles of the Support to Landlords and Tenants package or the [Commercial Tenancy Relief Scheme](#), or
- if the amount of rent waived between 1 January 2021 and 28 March 2021 is less than 25% of the proportional land tax for the property.

Land tax relief for properties with multiple tenancies

Landlords of properties with multiple tenancies can make a single application for 2021 land tax relief for the whole property, rather than just for the part of the property occupied by eligible tenants who have received rent relief. Find out more about [land tax relief for properties with multiple tenancies](#).

Landlords of properties with multiple tenancies can apply for the land tax relief via our [Coronavirus land tax relief - Multiple tenancy properties SmartForm](#). You also need to [download and complete a Multiple Tenancy Schedule](#) to accompany your application.

You cannot apply for land tax relief for properties with multiple tenancies through My Land Tax.

Land tax reduction of 25% and deferral for owner-occupiers

Owner-occupiers of commercial properties can obtain a 25% waiver of the property's 2021 land tax and defer paying the remaining 2021 land tax (and any 2020 land tax which has previously been deferred under the 2020 measure) up to 30 November 2021 if their business meets the conditions in either of these two categories:

1. For general commercial tenants:
 - annual aggregated turnover was no greater than \$50 million in either the 2019-2020 or 2020-21 financial year, and
 - they are eligible for, and participating in, the [Australian Government's JobKeeper Payment](#) in the March 2021 quarter.
2. For commercial tenants operating a licensed pub, club or restaurant under a general, full club or on-premises liquor licence:

- at the premises level, annual turnover was no greater than \$50 million in either the 2019-2020 or 2020-21 financial year, and
- turnover at that premises in the December 2020 quarter reduced by at least 30% relative to the March 2020 quarter.

Frequently asked questions

To assist you, we have grouped questions in categories:

- [General](#)
- [Commercial landlords](#)
- [Residential landlords](#)
- [Multiple tenancies](#)
- [Owner-occupiers](#)

General

I have already received a 25% reduction on my 2020 land tax and think I'm eligible for a 25% reduction on my 2021 land tax, do I need to reapply?

Yes, you must apply separately for 2021 land tax relief. Additional evidence may be required to support your application.

How do I apply for 2021 land tax relief?

Eligible residential landlords can apply through My Land Tax. Applications are not yet open for commercial landlords and commercial owner-occupiers, but when they open they too will be available through My Land Tax.

Landlords of properties with multiple tenancies (commercial and/or residential) can apply for the land tax relief via [OUR Coronavirus land tax relief - Multiple tenancy properties SmartForm](#). You also need to [download and complete a Multiple Tenancy Schedule](#) to accompany your application.

You cannot apply for land tax relief for properties with multiple tenancies through My Land Tax.

Can I still defer my 2021 land tax in full even if I am not providing rent relief?

No, to be eligible for the land tax reduction and deferral, you must provide a tenant impacted by the coronavirus pandemic with rent relief consistent with the principles of the Support to Landlords and Tenants package.

What if I can't contact my tenant or they are not paying their rent?

If there are any issues with your tenant:

- For residential tenancies, visit the [Consumer Affairs Victoria website](#) for advice and resources in relation to tenancies and the coronavirus pandemic.
- For commercial tenancies, the Small Business Commissioner's website has advice and resources in relation to tenancies and the coronavirus pandemic, including [frequently asked questions](#), a [leasing advice resource](#) on the page where they [step out the process for landlords](#) under the Commercial Tenancy Relief Scheme.

Once you have reached an agreement with the tenant about rent reduction, you can apply for the land tax relief.

I have chosen to use AutoPay Instalments to pay my 2021 land tax. What happens to my scheduled instalments if I apply for land tax relief as a landlord?

If you have set up [AutoPay Instalments](#) to pay your 2021 land tax, direct debits will continue unless you log in to AutoPay and cancel them pending the outcome of your coronavirus land tax relief application.

To cancel your AutoPay Instalments, [log in to AutoPay Instalments now](#). If you do nothing, your direct debits will continue as per the instalment schedule you originally established.

Commercial landlords

Applications are not yet open for commercial landlords, but when they open they will be available through My Land Tax.

Who is a commercial landlord?

For the purposes of land tax relief, you are a commercial landlord if you rent your property under a commercial lease to a tenant conducting a business (even if the property is a residential property). To be eligible for relief, a commercial lease must be an eligible lease for the purposes of the [Commercial Tenancy Relief Scheme](#) or the [Night-time Economy Business Support Initiative](#), and you must provide rent relief to your tenant that complies with the requirements of the [Commercial Tenancy Relief Scheme](#). Land tax relief does not apply to commercial leases relating to farmland or to landlords that are State Government entities.

If you are an [owner-occupier of commercial property](#) and meet the eligibility criteria for tax relief, you can apply for a 25% reduction on your 2021 land tax (exclusive of any absentee owner surcharge) for your property, and choose to defer the balance of your assessment until up to 30 November 2021.

As a commercial landlord, am I eligible for the 25% reduction and deferral of land tax?

If you are a commercial landlord (i.e. your property is under a commercial lease where the tenant conducts a business) and you meet the eligibility criteria, you can apply for a 25% reduction on your 2021 land tax (exclusive of any absentee owner surcharge) for that property, and defer the balance of your 2021 land tax (and any 2020 land tax previously deferred under the 2020 relief measure) until up to 30 November 2021.

To be eligible for 2021 land tax relief, you must demonstrate that:

- Your property has been rented since before 31 December 2020.
- You have provided rent relief to your tenants in accordance with this relief measure because they have been impacted by the coronavirus pandemic.

If your commercial tenant asks you for rent relief under the Commercial Tenancy Relief Scheme, your tenant is required to declare to you that they meet the conditions in either of these two categories:

1. For general commercial tenants:

- annual aggregated turnover was no greater than \$50 million in either the 2019-2020 or 2020-21 financial year, and
- they are eligible for, and participating in, the [Australian Government's JobKeeper Payment](#) in the March 2021 quarter.

2. For commercial tenants operating a licensed pub, club or restaurant under a general, full club or on-premises liquor licence:

- at the premises level, annual turnover was no greater than \$50 million in either the 2019-2020 or 2020-21 financial year, and
- turnover at that premises in the December 2020 quarter reduced by at least 30% relative to the March 2020 quarter.

Aggregated turnover is your tenant's turnover, in addition to any entity connected or affiliated with them, within the meaning of [section 328-125](#) and [section 328-130](#) respectively of the *Income Tax Assessment Act 1997* (Commonwealth). Turnover includes the proceeds of sales of goods and/or services, commission income, repair and service income, rent, leasing and hiring income, government bounties and subsidies, interest, royalties and dividends, and other operating income. This means that a subsidiary of, or connected business to, a larger business that exceeds the turnover threshold may not be eligible.

Your tenant can make their declaration using our [commercial tenant details SmartForm](#), which they can then send to you by email. You must include your tenant's declaration with your application.

In accordance with the Commercial Tenancy Relief Scheme, if your tenant is contractually obligated to pay the land tax on the property, you are required to pass on to the tenant their proportionate share of the land tax reduction.

2021 land tax relief is not available for untenanted properties.

As a commercial landlord, what rent relief do I need to provide to be eligible for the 25% reduction and deferral?

The rent relief you provide must be consistent with the requirements of the [Commercial Tenancy Relief Scheme](#) and the principles of the Support to Landlords and Tenants package announced on 15 April 2020.

Agreements for rent relief reached on or after 29 September 2020 must provide for rent relief that is at least in proportion to the tenant's decline in turnover at the property. More information is available on the [Small Business Commissioner website](#).

The amount of rent you waive between 1 January 2021 and 28 March 2021 (and don't require the tenant to pay at a later date) must be at least 25% of the proportional 2021 land tax for the property, except where:

- land tax is an outgoing which is the contractual responsibility of the tenant (in which case the land tax discount must be passed on to the tenant), or
- the rent relief is the outcome of an approved mediation process.

As a commercial landlord, my property is subject to a sub-lease arrangement, so am I eligible for the 25% reduction and deferral?

Under a sub-lease arrangement, you lease your property to a lessee. This lease is known as the head lease and the lessee is known as the head lessee. The head lessee then leases the property to a further lessee. This lease is known as a sub-lease and the further lessee is known as the sub-lessee.

To be eligible for tax relief for a property subject to a sub-lease arrangement, you must demonstrate each of the following:

- You have provided rent relief to the head lessee that meets the general requirements for 2021 land tax relief, as set out above.
- The head lessee has provided rent relief to the sub-lessee that meets the general requirements for 2021 land tax relief, as set out above.
- The sub-lessee has declared (they can make their declaration using our SmartForm) that they meet the conditions in either of these two categories:
 - For sub-lessees operating general businesses:
 - annual aggregated turnover was no greater than \$50 million in either the 2019-20 or 2020-21 financial year, and

- they were eligible for, and participating in, the Australian Government's JobKeeper Payment in the March 2021 quarter.
- For sub-lessees operating a licensed pub, club or restaurant under a general, full club or on-premises liquor licence:
 - at the premises level, their turnover was no greater than \$50 million in either the 2019-20 or 2020-21 financial year, and
 - turnover at that premises in the December 2020 quarter reduced by at least 30% relative to the March 2020 quarter.

Residential landlords

Who is a residential landlord?

You are a residential landlord for the purposes of land tax relief if you rent your property to a tenant under an eligible agreement for the purposes of the Residential Tenancies Dispute Resolution Scheme.

Eligible agreements are tenancy agreements, special disability accommodation agreements and site agreements under the *Residential Tenancies Act 1997*. You are only eligible for land tax relief if you rent your property under one of these types of agreements. Most holiday accommodation, such as hotels, motels, and bed and breakfasts, as well as rooms in rooming houses, is not provided under any of these types of agreements.

As a residential landlord, am I eligible for the 25% reduction and deferral?

If you are a residential landlord and meet the eligibility criteria for tax relief, you can apply for a 25% reduction on your 2021 land tax (exclusive of any absentee owner surcharge) for the property, and defer the balance of your 2021 land tax (and any 2020 land tax previously deferred under the 2020 relief measure) until up to 30 November 2021.

To be eligible for tax relief for a tenanted property, you must demonstrate that:

- Your property has been rented since before 31 December 2020.
- You have provided rent relief to your tenants in accordance with this relief measure because at least one of the tenants has been impacted by the coronavirus pandemic.

2021 land tax relief is not available for untenanted properties.

As a residential landlord, how much rent relief do I need to provide to be eligible for the 25% reduction and deferral?

The rent relief you provide must be consistent with the principles of the Support to Landlords and Tenants package announced on 15 April 2020. This includes taking into consideration the tenant's reduction in income as a result of the coronavirus pandemic. More information on these principles for residential leases is available on the [Consumer Affairs website](#).

The amount of rent you waive between 1 January 2021 and 28 March 2021 (and don't require the tenant to pay at a later date) must be at least 25% of the proportional 2021 land tax for the property, except where the rent relief is the outcome of an approved mediation process.

Multiple tenancies

How does land tax relief apply for properties with multiple tenancies?

Where a property contains multiple tenancies, the landlord can make a single application for a land tax reduction for the whole property, rather than just to the part of the property occupied by eligible tenants who have received rent relief.

A property with multiple tenancies includes:

- a single piece of land (i.e. land contained within a single certificate of title) with multiple tenancies, or
- a single complex (such as a shopping centre) situated across multiple, commonly-owned titles with multiple tenancies.

You can receive a reduction of up to 25% on the 2021 land tax of your property with multiple tenancies if you provide rent relief to tenants at the property that is consistent with the principles of, and provided under, the Support to Landlords and Tenants package announced on 15 April 2020, which for commercial tenants includes complying with the requirements of the [Commercial Tenancy Relief Scheme](#).

The 2021 land tax reduction is limited to the total amount of rent you waive in relation to eligible tenants at the property (and don't require the tenants to pay at a later date). Where land tax is an outgoing that is the contractual responsibility of the tenant, any land tax discount passed on to the tenant can count towards the total amount of rent waived.

How do I apply?

Landlords of properties with multiple tenancies (residential and/or commercial) can apply for the land tax relief via [OUR Coronavirus land tax relief - Multiple tenancy properties SmartForm](#). You also need to download and complete a [Multiple Tenancy Schedule](#) to accompany your application.

You cannot apply through My Land Tax.

Owner-occupiers

Applications are not yet open for commercial landlords, but when they open they will be available through My Land Tax.

I run a business from my property that has been impacted by the coronavirus pandemic. Am I eligible for land tax relief?

If you are an owner-occupier of commercial property and meet the eligibility criteria for tax relief, you can apply for a 25% reduction on your 2021 land tax (exclusive of any absentee owner surcharge) for your property, and defer the balance of your 2021 land tax (and any 2020 land tax previously deferred under the 2020 relief measure) until up to 30 November 2021.

To be eligible for 2021 land tax relief, you must own the property from which you actively carry on your business under an ABN. You must own the property and the business, either directly or through a company or trust that you own and control. Your business must meet the conditions in either of these two categories:

1. For general commercial tenants:

- annual aggregated turnover was no greater than \$50 million in either the 2019-2020 or 2020-21 financial year, and
- they are eligible for, and participating in, the [Australian Government's JobKeeper Payment](#) in the March 2021 quarter.

2. For commercial tenants operating a licensed pub, club or restaurant under a general, full club or on-premises liquor licence:

- at the premises level, annual turnover was no greater than \$50 million in either the 2019-2020 or 2020-21 financial year, and
- turnover at that premises in the December 2020 quarter reduced by at least 30% relative to the March 2020 quarter.

Aggregated turnover is your tenant's turnover, in addition to any entity connected or affiliated with them, within the meaning of [section 328-125](#) and [section 328-130](#) respectively of the *Income Tax Assessment Act 1997* (Commonwealth). Turnover includes the proceeds of sales of goods and/or services, commission income, repair and service income, rent, leasing and hiring income, government bounties and subsidies, interest, royalties and dividends, and other operating income.

Properties being held or developed for the purpose of sale are not eligible for relief unless there is a business being actively conducted on the property. Construction or development work on the property does not qualify as a business being actively conducted on the property.

2. Vacant residential land tax waiver for 2021

On 10 September 2020, the Victorian Government announced a full waiver of 2021 [vacant residential land tax](#) liabilities, which would ordinarily apply to residential properties in Melbourne's inner

and middle suburbs, that were vacant for more than six months in 2020.

This recognises the impact that the coronavirus pandemic has had on occupancy of rental properties where many properties that would otherwise be occupied are vacant.

You must still [notify us of vacant properties](#) by 15 January 2021 via our online portal so we can automatically apply the waiver to them. You will not get an assessment and do not have to pay the vacant residential land tax in 2021.

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