

An introduction to property tax

Property tax is an annual tax which eligible first home buyers could previously opt into under the First Home Buyer Choice initiative between 11 November 2022 and 30 June 2023.

Some home buyers chose to pay an annual property tax for the duration of ownership rather than paying transfer duty (stamp duty) upfront.

What are my property tax obligations?

You must reside in the property for 6 continuous months within the first 12 months of settlement.

You must notify Revenue NSW of any change in land use within 3 months.

Land use includes:

- land that is non-owner occupied or owner-occupied.
- land that is mixed use (residential and business).

To let us know of a change in land use, complete the **property tax online enquiry form** at revenue.nsw.gov.au/taxes-duties-levies-royalties/property-tax

Note: The Property Tax team regularly conducts investigations to ensure customers comply with legislation.

Can I opt out of property tax?

If you **opted into** property tax at settlement, and the property has been transferred to you, you **cannot opt out**. You must pay property tax every year for as long as you own the property.

What if I sell the property?

If you sell the property, you no longer need to pay property tax, however:

- you must inform Revenue NSW that you're selling prior to settlement, and
- unpaid property tax must be paid prior to, or as part of, settlement.

A pro-rata settlement quote will be issued up to and including the proposed settlement date.

How is property tax calculated?

The NSW Valuer General determines the land value for every parcel of land in NSW annually.

Property tax is calculated based on the land value of the opted-in property at the beginning of the previous financial year. The amount is calculated daily based on land usage, with a Notice of Assessment issued annually from 1 July.

Customers can pay in full on 31 August or in 4 equal instalments on 31 August, 30 November, 28 February and 31 May.