

Clear Title

July 2018 Issue



GST Withholding

We have fielded a number of enquiries since financial year rollover from some of our real estate agent colleagues grappling with the introduction of the GST withholding provisions which commenced from 1 July, 2018.

Following CGT withholding requirements introduced last financial year, the federal government has once again effectively 'contracted out' tax collection to make it part of the settlement process, this time for GST.

If the property is a new residential premises or potential residential land (vacant residential land) the buyer will probably need to withhold at settlement a GST component for payment to the ATO, so the contract needs to include a notice from the seller if the GST withholding applies or not.

Failure to give that notification can result in a penalty against the seller.

Our advice is to use the latest version contracts (whether its REIQ or ADL) and complete the GST withholding section with advice from the seller's accountant or financial advisor when required.

For more information contact us on **1300 765 488** or [visit the ATO website](#).

First Home Owners Grant

From 1 July, 2018 the First Home Owners Grant is reduced to \$15,000 following a temporary increase to \$20,000 which expired on 30 June, 2018.

For those buying or building their first home, unit or townhouse in Queensland where the value is less than \$750,000 and the contract was entered into from 1 July, 2018, we recommend they enquire with their bank, broker or conveyancer about their eligibility for the first home owners grant of \$15,000.

For more information phone our friendly team on **1300 765 488**.

First Home Super Saver Scheme

From 1 July, 2018 individuals are able to apply to withdraw voluntary contributions made to their super for a first home.

In 2017 the federal government introduced the First Home Super Saver Scheme allowing voluntary contributions made to super after 1 July 2017 to be available for that purpose.

Up to \$15,000 of voluntary contributions made in a financial year can go towards the amount that can be released and the maximum amount that can be released is \$30,000 of personal contributions plus associated earnings.

It is an interesting scheme and time will tell if new home buyers take up the concept of forced savings for the sole purpose of buying their first home with certain tax advantages in the process, and no means of accessing those funds except to apply to their new home.

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