

Contents	Page
What this ruling is about	1
Ruling and explanation	2
Date of effect	7
References	7

Public Ruling
Land Tax Act:

**ADMINISTRATIVE ARRANGEMENT—
EXEMPTION FROM LAND TAX FOREIGN
SURCHARGE FOR LANDHOLDERS
UNDERTAKING COMMERCIAL ACTIVITIES
THAT MAKE A SIGNIFICANT CONTRIBUTION**

A public ruling, when issued, is the published view of the Commissioner of State Revenue (the Commissioner) on the particular topic to which it relates. It therefore replaces and overrides any existing private rulings, memoranda, manuals and advice provided by the Commissioner in respect of the issue(s) it addresses. Where a change in legislation or case law (the law) affects the content of a public ruling, the change in the law overrides the public ruling—that is, the Commissioner will determine the tax liability or eligibility for a concession, grant or exemption, as the case may be, in accordance with the law.

What this ruling is about

1. This public ruling sets out the terms of an administrative arrangement that enables the Commissioner to administer the *Land Tax Act 2010* (Land Tax Act) to provide an exemption from the land tax foreign surcharge (LTFS) for landholders undertaking commercial activities that make a significant contribution.
2. The administrative arrangement applies where the liability for land tax arises on or after 30 June 2026.
3. Under the Land Tax Act, owners of land that are foreign companies or trustees of foreign trusts¹ are subject to a surcharge rate of land tax (land tax foreign surcharge)² on the taxable value of their taxable land, in addition to the general rate of tax that applies to all companies and trustees that are liable for land tax.
4. On 15 December 2025, as part of the 2025-26 Mid-Year Fiscal and Economic Review, the Queensland Government announced reforms to relief arrangements for foreign surcharges, including LTFS (MYFER reforms). The reforms include changes to expand corporate tracing rules and to introduce a pre-approval process.

¹ For information about foreign companies and trustees of foreign trusts, refer to [Public Ruling LTA000.3 Foreign corporations and foreign trusts—interests of foreign persons and foreign trusts](#).

² Section 32(1)(b) of the Land Tax Act

5. On 14 December 2025, the Treasurer, Minister for Energy and Minister for Home Ownership approved an administrative arrangement to enable an exemption from LTFS to be provided for certain landowners who undertake commercial activities that make a significant contribution to the Queensland economy and community, in accordance with the MYFER reforms.
6. This administrative arrangement establishes the basis for administration of the exemption under the Land Tax Act by the Commissioner (or his delegates) and sets out the eligibility conditions for the exemption.³

Ruling and explanation

Defined terms

7. The following definitions apply for the purpose of the administrative arrangement.
 - (a) *Corporate group*, see paragraph 19.
 - (b) *Employees* do not include contractors or non-executive directors (e.g. independent or external directors who are members of the board of directors, but not members of the executive management team).
 - (c) *Entity* means an individual or company registered under the *Corporations Act 2001* (Cwlth) (Corporations Act).
 - (d) *Group entity*, see paragraph 20.
 - (e) *Issued shares* mean shares that give the holder an entitlement as a shareholder to a distribution of the entity's property on its winding up.
 - (f) *Liability date* means the date when a liability for land tax arises under the Land Tax Act.
 - (g) *LTFS is not imposed* means the surcharge rate provided for under Schedule 2, Part 2 does not apply—for the purpose of determining the applicable rate of land tax under s.32(1)(b) of the Land Tax Act.
 - (h) *Significant contribution* means an entity, or a relevant corporate group, has:
 - (i) current commercial activities, or committed future commercial activities over a 12-month period from the liability date, at the requisite contribution levelor
 - (ii) commercial activities approved by the Commissioner under paragraph 21.
 - (i) *Significant contributor* means an entity or a relevant corporate group:
 - (i) makes a significant contribution, on average, each financial year, provided the averaging does not exceed 5 consecutive financial years (averaging period)

³ The administrative arrangement will be supported by guidelines that outline certain operational aspects of the exemption (Guidelines for administration), as approved by the Commissioner.

or

(ii) is approved by the Commissioner under paragraph 21.

(j) *Notifiable event* for the LTFS exemption means any of the following:

(i) the entity, or a group entity, ceases to be a group entity of the corporate group

(ii) the entity—or relevant group entity where corporate group tracing has been applied—no longer satisfies the Australian-based requirements

(iii) non-compliance with Foreign Investment Review Board requirements or conditions by the entity for land the subject of the exemption

(iv) non-compliance with regulatory requirements by the entity or the relevant group entities

(v) where an LTFS exemption is applied on the basis of a pre-approval—if the entity or relevant corporate group no longer satisfies the requirements in paragraph 8(b) or (c)

(vi) any other material change in circumstances that may affect eligibility for the LTFS exemption.

(k) *Parent entity* means an entity that directly owns at least 90% of the issued shares in and has voting control over another entity.

(l) *Relevant corporate group*, see paragraph 18.

(m) *Relevant group entity* means the particular group entity (or group entities) within the corporate group, the circumstances and activities of which satisfy the 'significant contribution', 'significant contributor' or the Australian-based requirements for the purposes of corporate group tracing.

(n) *Requisite contribution level* means:

(i) employing 75 or more full-time equivalent employees (not labour hire or contractors) in Queensland

or

(ii) incurring expenditure in Queensland of more than \$20 million annually; comprising Queensland payroll tax and land tax liabilities, expenditure on Queensland goods and services, and wages paid to Queensland residents (Queensland expenditure).

(o) *Subsidiary* is an entity (the first entity) if another entity directly owns at least 90% of the issued shares and has voting control over the first entity.

(p) *Voting control*, for an entity that is a company, means being in a position to cast (or control the casting of) 90% or more of the maximum votes that can be cast at a general meeting of the company other than under a debenture or trust deed securing the issue of a debenture.

LTFS exemption

8. LTFS is not imposed on the taxable value of an entity's taxable land if, on the liability date, all the following apply:
- (a) The entity requirements are satisfied.
 - (b) The entity—or the relevant corporate group of which the entity is a group entity—
 - (i) conducts commercial activities in Queensland that make a significant contribution to the Queensland economy and communityor
 - (ii) is a significant contributor.
 - (c) The size and scale of the commercial activities conducted by the entity—or the relevant corporate group of which the entity is a group entity—is proportionate to the taxable land for which exemption is sought.
9. An entity is not eligible for the LTFS exemption for taxable land if the concession for land used for eligible BTR development under s.58B(3) of the Land Tax Act has been applied to the land⁴ or the entity has been pre-approved or approved for exemption under [Public Ruling GEN012 Administrative arrangement—exemption from AFAD and land tax foreign surcharge for property developers undertaking residential housing development](#).
10. For the avoidance of doubt, an entity—or the relevant corporate group of which the entity is a group entity—is not considered to be undertaking commercial activity if it holds land passively as a landlord or property investor (i.e. its business in Queensland is wholly or primarily connected with the ownership, sale or purchase of land).

Nominees and custodians

11. For the purpose of determining eligibility for the exemption, nominees and custodians appointed for regulatory compliance purposes will be looked through, and eligibility will be determined by reference to the activities of the next level trustee and will apply to the land owned by that trustee.

Entity requirements

12. An entity satisfies the entity requirements if it meets the following requirements.

Australian-based requirements

13. The entity has a head office or principal place of business in Australia and satisfies all the following requirements:
- (a) The entity has significant management staff (i.e. directors and managers who are employees) and office presence in Australia.

⁴ See [Public Ruling DA000.17 AFAD concession for eligible build-to-rent \(BTR\) developments](#).

- (b) The entity has employees who are Australian citizens or permanent residents.
 - (c) The entity carries on business in Australia.
 - (d) Decisions about the entity's business and operations in Australia are primarily made by the entity's management or employees in Australia.
14. For the purpose of the requirements in sub paragraphs 13(a) to (d), corporate group tracing is permitted.

Compliance with Foreign Investment Review Board requirements

15. The entity is compliant with all Foreign Investment Review Board requirements and conditions relating to the land for which an exemption is sought, and any previous non-compliance issues have been addressed.

Compliance with regulatory requirements

16. The entity is compliant with applicable legal and regulatory requirements—including under the Corporations Act (or equivalent legislation that may also be applicable to the entity) and with Queensland's revenue laws—and any previous non-compliance issues have been addressed.
17. Where corporate group tracing under paragraph 18 is applied, this requirement must be satisfied by:
- (a) the entity to which the exemption application relates
 - and
 - (b) all of the relevant group entities within the corporate group.

Corporate group tracing

18. For the purpose of satisfying the definition of 'significant contribution', 'significant contributor' and the Australian-based requirements (other than the requirement for the entity to have a head office or principal place of business in Australia), each requirement will be considered to be met if it is satisfied by the parent or a subsidiary of the entity to which the exemption application relates—or by a series of parent and subsidiary arrangements, including any combination of them. All of the parent and subsidiary entities through which the tracing occurs constitute the *relevant corporate group*.
19. All of the parent and subsidiary entities constitute a *corporate group*.
20. Each entity within the corporate group is a *group entity*.

Considerations for regional and/or industry significance

21. For commercial activity in non-metropolitan areas and/or particular industries, the Commissioner may approve commercial activities as a *significant contribution*—or an entity or

relevant corporate group as a *significant contributor*—provided the entity (or group, as the case may be) meets all other requirements for the LTFS exemption, having regard to the following:

- (a) the commercial activity in the context of the population size, demographics and activity in the area, and/or the size and maturity level of the industry
- (b) the nature of the area and/or industry
- (c) the contribution that the commercial activity makes to the area and/or industry (e.g. whether the entity is a major employer in the area, and/or whether the industry or activity would exist in the absence of the entity)
- (d) any other relevant factors.

Application for exemption

22. An application for exemption must be:

- (a) made in the approved form
- (b) supported by the documents and information required by the Commissioner to decide the application.

Application for pre-approval of exemption

23. On application made in the approved form, the Commissioner may pre-approve an entity for an LTFS exemption in respect of a financial year if one of the following applies:

- (a) The entity has previously been approved or pre-approved for the LTFS exemption under this administrative arrangement.
- (b) A group entity in a corporate group has been approved for the LTFS exemption under this administrative arrangement, while a member of the group, and the entity is the parent or a subsidiary of a group entity when a liability for land tax arises.

24. An entity's pre-approval for the LTFS exemption continues until a notifiable event for the LTFS exemption occurs.

Notification requirements

25. An entity pre-approved or approved for an LTFS exemption must:

- (a) within 28 days after the notifiable event for the LTFS exemption happens, notify the Commissioner in the approved form
- (b) if the notifiable event would have had the effect of changing eligibility for the exemption, had it been known at the time eligibility is determined—pay the amount of LTFS applicable to the taxable value of the entity's taxable land (including penalty tax and unpaid tax interest) for the financial years in which the entity is ineligible for exemption, if required to by the Commissioner.

Declaration for LTFS exemption each financial year

26. Where an LTFS exemption has been applied to an entity's taxable land, the entity must lodge at the beginning of each financial year a statutory declaration by a person holding appropriate authority from the entity that no notifiable events for the LTFS exemption—within the meaning in paragraph 7(j)—have occurred; and that, to the best of the person's knowledge, the entity will remain eligible for the LTFS exemption for the financial year for which the exemption is sought.

Transitional provisions

27. For the purpose of paragraph 23(a), a reference to an entity having been previously approved for the exemption includes an entity approved for ex gratia relief under [Public Ruling LTA000.4 Guidelines for ex gratia relief from the land tax foreign surcharge for liabilities arising before 30 June 2026](#) (including previous versions of this ruling).

Date of effect

28. This public ruling takes effect on 15 December 2025 and applies to liabilities for land tax arising on and after 30 June 2026.

Simon McKee
 Commissioner of State Revenue
 Date of issue: 15 December 20205

References

Public Ruling	Issued	Dates of effect	
		From	To
LTA000.6.1	15 December 2025	15 December 2025	Current