VALUERS HANDLING OBJECTIONS TO A SITE VALUATION IN LAND TAX ASSESSMENTS LODGED WITH THE STATE REVENUE OFFICE

This is a brief practice note on the handling of an objection to a site valuation appearing in a notice of land tax assessment or re-assessment lodged at the State Revenue Office (SRO).

Background

A valuation may appear in an assessment or re-assessment for the first time. It may also have previously appeared in an assessment (or re-assessment) and re-appear for a second or subsequent time in a re-assessment (or further re-assessment – repeat valuation).

Handling objection lodged in time

1. If an objection is lodged within time, the SRO will forward it by email to the council that made the valuation (valuer).

2. The SRO will also forward the taxpayer’s covering correspondence and a schedule giving details of the assessment or re-assessment, its date of issue, the deemed date of its service, the date of lodgement of the objection at the SRO and details of the valuation/s to which the objection was lodged, including details of the parent land where the objection is lodged to a pro-rata valuation (schedule).

Example schedule

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1.</td>
<td>Owner/Taxpayer</td>
</tr>
<tr>
<td>2.</td>
<td>Date of issue of the assessment</td>
</tr>
<tr>
<td>3.</td>
<td>Date on which the SRO believes the taxpayer received the assessment</td>
</tr>
<tr>
<td>4.</td>
<td>Date on which the SRO received the attached valuation objection</td>
</tr>
<tr>
<td>5.</td>
<td>Item/s in the assessment to which objection was lodged</td>
</tr>
<tr>
<td></td>
<td>(a) Property address</td>
</tr>
<tr>
<td></td>
<td>Municipal property number</td>
</tr>
<tr>
<td></td>
<td>2010 level site value</td>
</tr>
</tbody>
</table>

3. The valuer must determine the objection in accordance with s. 21 of the Valuation of Land Act 1960 (VLA) unless the objection is invalid on another basis (see paragraph below in relation to s. 19(1) of the VLA).

4. The valuer must process the valuation objection and advise the objector in writing of his/her decision, and send a copy to the SRO.

(a) Where a valid objection is lodged and a reduction is warranted, a Recommendation Notice must be issued to Valuer-General Victoria (VGV), which, if approved, will issue a Confirmation Notice and send a copy to the SRO.

(b) An adjustment to the valuation from a valid objection can only be made using a Notice of Recommended Adjustment and not a supplementary valuation. The practice of submitting supplementary valuations in place of a Notice of Recommendation is not in accordance with the VLA.
(c) Where a valid objection is lodged and a reduction is not warranted, a Notice of Disallowance should be provided to the objector, and a copy sent to the SRO.

(d) Where a valuer has been unable to resolve the dispute within the required four-month provision, the valuer’s decision is deemed to be disallowed. It is required that the SRO is also kept advised of this decision.

**Handling objection lodged out of time**

1. If the SRO considers that an objection to a first-time valuation was not lodged within the prescribed time, the SRO will forward a copy to the valuer. It will advise the valuer by email that the SRO has received the objection, and explain why it considers the objection was lodged outside the time limit.

2. The SRO will give the relevant details in an enclosed schedule.

3. The SRO must request the valuer to advise the taxpayer that the objection is an invalid objection, the reason(s) for that conclusion and that the SRO, therefore, has forwarded a copy of the objection to the valuer.

4. The valuer is not required to determine the objection in accordance with s. 21 of the VLA. Because this is not a valid objection the valuer is required to advise the objector by letter and not a Notice of Disallowance with a copy of the letter sent to the SRO.

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(b) An adjustment to the valuation from a valid objection can only be made using a Notice of Recommended Adjustment and not a supplementary valuation. The practice of submitting supplementary valuations in place of a Notice of Recommendation is not in accordance with the VLA.

(c) Where a valid objection is lodged and a reduction is not warranted, a Notice of Disallowance should be provided to the objector, and a copy sent to the SRO.

(d) Where a valuer has been unable to resolve the dispute within the required four-month provision, the valuer’s decision is deemed to be disallowed. It is required that the SRO is also kept advised of this decision.

**Objection lodged to a repeat valuation appearing in a re-assessment**

Where a repeat valuation appears in a re-assessment, the SRO would generally consider the objection lodged to it invalid because it was not lodged within time. This is because an objection to that valuation should have been lodged by the taxpayer within two months of the receipt of the assessment or re-assessment in which that valuation first appeared.

1. In this case, the SRO and valuer should take the steps outlined above: ‘Handling an objection lodged out of time’.

2. On occasions, an objection to a repeat valuation may be within time if it is lodged within two months of the taxpayer receiving the assessment or re-assessment in which the objected valuation first appeared. In that case, the SRO and valuer should take the steps outlined above: ‘Handling objection lodged in time’.

**Other Matters**

**Further objection cannot be made within 12 months**

The valuer should note that an objection lodged at the SRO may be one to which s. 19(1) of the VLA could apply. Section 19 states that if an objection to the valuation is lodged with council and considered by the valuer of that council under s. 21 of the VLA, a further objection to that valuation cannot be made within 12 months after the lodgement of that prior objection. The SRO would generally be unaware that s. 19 of the VLA applies to an objection that the SRO has received, and that the objection is therefore invalid.

1. In respect of every objection received by the SRO, the valuer should verify from the valuer’s or council’s information whether s. 19(1) applies to that objection.

2. If the valuer finds that s. 19(1) of the VLA does apply to an objection lodged at the SRO, the valuer must advise the taxpayer that the objection is invalid by virtue of s. 19(1). The valuer must also include the reasons for this conclusion in addition to stating any SRO advice that it was lodged out of time.

3. The valuer is not required to determine the objection in accordance with s. 21 of the VLA. Because this is not a valid objection, the valuer must advise the objector in a letter not a Notice of Disallowance, with a copy sent to the SRO.
**Pro-rata valuations**

An assessment or re-assessment may give only a pro-rata valuation of a block of land, which is denoted with the letter ‘P’ (pro-rata valuation). This occurs when the SRO does not have a relevant valuation of a block of land (lot) available as at 31 December. Therefore, the SRO acts on the relevant valuation of the parent land of which the lot is a part. In this case, the assessment would not disclose the valuation of the parent land.

The SRO can only apportion the value in accordance with s. 22 (2) of the *Land Tax Act 2005*, being the taxable value of the part is the same proportion of the taxable value of the whole land as the area of the part bears to the area of the whole land.

1. When the SRO receives an objection to a pro-rata valuation it will confirm with the objector whether they are objecting to the apportionment or the value of the parent parcel.

2. Any objection to the pro-rata apportionment method will be dealt with by SRO because it must adhere to the method prescribed by s. 22 (2) of the *Land Tax Act 2005*. Therefore, these will not be forwarded to the valuer.

3. The SRO will only forward the objection to the valuer once it has confirmed that the objector is objecting to the full valuation of the parent assessment.

4. If the objection is lodged within time it will be forwarded to the valuer. The valuer should take the steps outlined in the above: ‘Handling objection lodged in time’. If the objection is lodged out of time, details of the objection will be forwarded to the valuer. In this case, the SRO and valuer should take the steps outlined in the above: ‘Handling objection lodged out of time’.

5. The valuer must only review the valuation of the parent assessment and not the pro-rata apportionment valuation.

6. The valuer should not do a supplementary valuation to apportion the site value. The objection can only relate to the parent valuation in force at the time.

If you have any VGV enquiries, please contact Maria Rosero on 8636 2648 or by email at maria.rosero@dse.vic.gov.au.

If you have any SRO enquiries, please contact Catherine Clarisse on 9628 6872 or by email at valuations@sro.vic.gov.au.
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