Primary producers concessions

Explains what is primary production, and the specific rules about reporting and tax concessions for primary producers.

Primary production activities

Primary producers run a business of plant or animal cultivation, fishing or pearling, or tree farming or felling.

Managing varying income

Help for primary producers to manage the way in which their situation may vary substantially from one year to the next.

Livestock and other assets

Explains special rules that apply to livestock and to certain other types of assets and capital expenditure.

Managing your tax

Links to help you pay goods and services tax (GST), luxury car tax (LCT) and pay as you go (PAYG) instalments.

In detail

QC 16878

Primary production activities

Primary producers run a business of plant or animal cultivation, fishing or pearling, or tree farming or felling.

Last updated 10 May 2023

On this page

Who can be a primary producer?

A primary producer can be an individual, partnership, trust or company operating a primary production business if they undertake:

- plant or animal cultivation, including domestic animal breeding (or all of these)
- fishing or pearling (or both)
- tree farming or felling (or both).

Operating a business

You need to consider various indicators before you decide if your activity is a business of primary production.

Read **are you in business**, or **Taxation Ruling TR 97/11** *Income tax: am I carrying on a business of primary production*.

If the activity is being conducted by a company, see Taxation Ruling TR 2019/1 *Income tax: when does a company carry on a business?*

You are not operating a business if the activity is better described as a hobby, a form of recreation or a sporting activity.

Plant or animal cultivation

Plant and animal cultivation includes:

- cultivating or propagating plants, fungi or their products or parts (including seeds, spores, bulbs and similar things) in any physical environment
- maintaining animals for the purpose of selling them or their bodily produce, including natural increase
- manufacturing dairy produce from raw material that you produced.

Domestic animal breeding

This includes the commercial breeding of domestic pets, including dogs, cats, fish, chickens, and all other animals, and is included under the term 'animal cultivation'.

Fishing or pearling

Fishing and pearling includes conducting operations relating directly to:

- taking or catching fish, turtles, dugong, bêche-de-mer, crustaceans or aquatic molluscs
- taking or culturing pearls or pearl shell.

Tree farming or felling

Tree farming and felling includes:

- planting or tending trees in a plantation or forest that are intended to be felled
- felling trees in a plantation or forest
- transporting trees or parts of trees that you felled in a plantation or forest to the place

- where they are first to be milled or processed
- from which they are to be transported to the place where they are first to be milled or processed.

If you are operating a business of establishing trees for the purpose of carbon sequestration (carbon sink forests), you will be eligible for **carbon sink forest** deductions.

Beneficiaries of primary production trusts

If you are the beneficiary of a primary production trust, you may be in a business of primary production if:

- the trustee has nominated you as a chosen beneficiary
- you are the beneficiary of a fixed trust.

This may be the case even where the primary production trust has made a loss.

QC 42299

Managing varying primary production income

Help for primary producers to manage the way in which their situation may vary substantially from one year to the next.

Last updated 25 October 2024

The tax system includes special provisions to help you, as a primary producer to manage your tax affairs when your income varies substantially from year to year. These can be long term programs like the Farm Management Deposit scheme or dealing with short term issues such as Murray Goulburn overpaying milk suppliers, or exempting certain disaster recovery grants.

For more information, see:

- North Queensland flood recovery package

- Queensland storms measure

Tax averaging

Tax averaging evens out your income and tax payable over a maximum of five years to allow for fluctuations.

Farm management deposits scheme

The farm management deposits scheme helps primary producers manage varying income.

Abnormal primary production income

Find out how 'abnormal income' you receive as primary producer is taxed.

If your business runs at a loss

You can claim your primary production losses immediately against other income if you meet certain conditions.

QC 42300

Tax averaging

Tax averaging evens out your income and tax payable over a maximum of five years to allow for fluctuations.

Last updated 21 June 2017

As a primary producer, tax averaging evens out your income and tax payable over a maximum of five years to allow for fluctuations in prices and production. This ensures that you do not pay more tax over a number of years than taxpayers on comparable but steady incomes.

When your average income is:

- less than your taxable income (excluding capital gains) – you receive an averaging tax offset
- more than your taxable income (excluding any capital gains) – you must pay extra income tax.

The amount of the averaging tax offset or extra income tax is calculated automatically and your notice of assessment will show you the details.

You can choose to withdraw from the averaging system and pay tax at ordinary rates each year. If you have withdrawn from averaging it will be automatically re-instated after 10 years, after which time you can choose to withdraw from averaging again.

See also:

- Tax averaging for primary producers

QC 42301

Farm management deposits scheme

The farm management deposits scheme helps primary producers manage varying income.

Last updated 8 November 2019

Farm management deposits (FMD) can help primary producers deal with years of varying income.

When you deposit into an FMD account, you can claim a tax deduction (under certain conditions). Then, when you redraw from your account, we treat the amount as assessable income in that year.

If you redraw an amount within 12 months of depositing it, you generally can't claim a tax deduction. However, if the repayment is due to an exceptional circumstance, such as drought or an applicable natural disaster, it can be deductible.

Find out about:

- Farm management deposits scheme

QC 42302

Abnormal primary production income

Find out how 'abnormal income' you receive as primary producer is taxed.

Last updated 8 November 2019

As a primary producer, you need to understand how any unusual income, called 'abnormal income', is taxed, including income such as:

- disaster relief payments
- grants and subsidies
- profit from forced disposal or death of livestock
- insurance payments
- double wool clips.

In some circumstances you may lose your entitlement to spread abnormal income.

Disaster relief payments

Following a disaster, you may receive assistance from government authorities, charitable institutions, employers, a trade union or other sources. Common types of government disaster relief are:

- Australian Government Disaster Recovery Payments (DRP)
- Disaster Recovery Allowance (DRA)
- payments under the Natural Disaster Relief and Recovery Arrangements (NDRRA)
- other ex-gratia relief payments.

Most one-off assistance payments are tax-free, but regular Centrelink payments are taxable.

See also:

- Assistance payments

Grants and subsidies

Generally, amounts you receive through grants or subsidies will be assessable income, however some may be exempt from tax. The payer of the grant, subsidy or other payment will usually provide you with advice about the tax implications.

See also:

- Sustainable rural water use and infrastructure program
- TR 2006/3 *Income tax: government payments to industry to assist entities (including individuals) to continue, commence or cease business*

Profit from forced disposal or death of livestock

If you make any profit from the forced disposal or death of livestock, you can elect to either:

- spread the profit earned over a period of five years
- defer the profit and use it to reduce the cost of replacement livestock in the disposal year or any of the next five income years.

If you choose deferral, any unused part of the profit is counted as assessable income in the fifth income year.

You can elect to spread or defer profits if you dispose of stock or stock dies because:

- your land is compulsorily acquired or resumed under an Act
- a state or territory leases land for a cattle tick eradication campaign
- pasture or fodder is destroyed by fire, drought or flood and you will use the profits mainly to buy replacement stock or maintain breeding stock for the purpose of replacing the livestock
- they are compulsorily destroyed under an Australian law for the control of a disease (including bovine tuberculosis) or they die of a disease
- you receive official notification under an Australian law dealing with contamination of property.

However, if you are eligible to elect to spread your profit over five years, you may become ineligible – see Losing your eligibility.

Insurance payments

If you receive an insurance payment for the loss of livestock or trees, and you have claimed the cost of the insurance premiums as a tax deduction, the payment amount you receive will be treated as assessable income.

If the payment is for assets of a primary production business, for example, trees lost to a fire or forced disposal of livestock, you can elect to spread the payment over five years (for example, 20% each year).

If you don't elect to do this, the whole amount is treated as assessable income in the year you received the payment.

You must make the election on or before the date you lodge your first tax return after receiving the insurance payment.

However, if you are eligible to elect to spread your income, you may become ineligible – see Losing your eligibility.

Double wool clips

If you're a wool grower and you had to shear your sheep earlier than usual because of drought, fire or flood, you can elect to defer the profit on the sale of the second clip to the next year. This will smooth out the abnormal income between the two years.

However, if you are eligible to elect to spread your profit over two years, you may become ineligible – see Losing your eligibility.

Losing your eligibility

You may become ineligible to spread abnormal income over a period of years if you:

- become bankrupt, insolvent or die
- permanently depart from Australia
- cease to carry on the primary production business the election relates to.

This may apply if you are a:

- sole trader
- partner in a primary production partnership
- trustee or beneficiary of a primary production trust.

In the case of a trust, you can apply to us to make a determination that you can still make an election if we consider it is fair and reasonable to do so.

QC 42303

If your business runs at a loss

You can claim your primary production losses immediately against other income if you meet certain conditions.

Last updated 24 August 2016

On this page

> [Exception for primary producers]
>
> [Non-commercial business loss measures]

If your business runs at a loss, you may be able to claim your primary production losses immediately against other income if either:

- the exception for primary producers applies
- you meet any of the general exemptions that apply under the non-commercial business loss measures.

If your business loss is greater than your other income, you make a tax loss.

Find out about:

- [Exception for primary producers]
- [Non-commercial business loss measures]
- [Making an overall loss]

Exception for primary producers

You can claim your primary production losses immediately against other income if you meet both the following conditions:

- you are a sole trader or a partner in a partnership
- your assessable income from other sources is less than $40,000, excluding any net capital gain.

This is an exception to the non-commercial business loss measures, which generally don't allow businesses to claim deductions for losses incurred in activities that are not commercially successful.

Non-commercial business loss measures

Under the general non-commercial business loss measures you may also be able to claim your losses immediately if both:

- the sum of your taxable income, reportable fringe benefits, reportable superannuation contributions and total net investment losses is less than $250,000
- your business activity satisfies one of four tests.

The four tests are:

- your business produced assessable income of at least $20,000
- your business has produced a profit in three of the past five years (including the current year)
- your business uses real property or an interest in real property worth at least $500,000 on a continuing basis
- your business uses other assets worth at least $100,000 on a continuing basis.

If you don't satisfy the above requirements we may discern, in certain circumstances, to still allow you to claim your losses immediately.

If the non-commercial loss measures apply, you are not allowed to claim your loss in the year it arises. Instead, you must defer it to the next year in which you carry on the business activity or one of a similar kind. You then offset the deferred loss against any profit from the activity in that future year. Whether any remaining loss can be offset against other income for that future year will depend on the operation of the non-commercial loss measures in that year.

See also:

- Non-commercial losses
- Non-commercial losses exceptions

If your business loss is greater than your net taxable and exempt income from other sources, you make a tax loss.

You can generally carry a tax loss forward and deduct it against your income in future years.

See also:

- Losses

QC 42304

Livestock and other assets

Explains special rules that apply to livestock and to certain other types of assets and capital expenditure.

Last updated 24 August 2016

Deductions for most assets used in a business of primary production are calculated using the same rules as those for other businesses. Special rules apply to livestock and to certain other types of assets and capital expenditure.

Find out about:

- Valuing livestock
- Depreciating assets
- Deductions and offsets for capital expenditure
- Water and carbon sequestration rights

Valuing livestock

How to value your livestock at the end of each year to determine your net income from primary production.

Depreciating assets

There are special rules to work out the decline in value of certain depreciating assets.

Deductions and offsets for capital expenditure

Primary producers can claim specific deductions for certain capital expenditure.

Water and carbon sequestration rights

Water and carbon sequestration rights are capital gains tax (CGT) assets.

QC 42308

Valuing livestock

How to value your livestock at the end of each year to determine your net income from primary production.

Last updated 30 June 2023

How to value your livestock at the end of each year as part of determining your net income from primary production.

You can choose to value livestock at cost, market-selling value or replacement value. An additional option is available for certain horse breeding stock.

You may change the basis of valuation year by year. You may also use different valuation methods for different stock in the same year. However, the value of your opening livestock (at 1 July) each year must be the same as the value of your closing stock (at 30 June) for the previous year. That is, you must use the same valuation method at the beginning of the new income year as you used at the end of the previous income year.

Small businesses – simplified trading stock rules

You do not have to value each item of trading stock (including livestock) on hand at the end of the income year or account for changes in the value of your trading stock if:

- you are a small business entity
- the difference between the value of all your trading stock at the start of the income year and the value you reasonably estimate of all your trading stock at the end of the income year is $5,000 or less.

However, if you prefer, you can still conduct a stocktake and account for changes in the value of trading stock for the income year if the difference is $5,000 or less.

For more information see **Simplified trading stock rules.**

Goods taken from stock for private use

If you take goods from stock for your own use, or for the use of your family members, you need to account for the goods as if the stock had been disposed of at its cost.

This includes where a grazier slaughters livestock for personal consumption or for rations for employees.

For more information see **TD 2022/15** *Income tax: value of goods taken from stock for private use for the 2022–23 income year*.

Natural increase

The cost of an animal you hold as livestock that you acquired by natural increase is whichever of these you choose:

- actual cost of the animal
- cost prescribed by the regulations
  - cattle, horses and deer – $20
  - pigs – $12
  - emus – $8
  - goats and sheep – $4
  - poultry – 35 cents.

A horse's livestock cost will be the greater of the above or the insemination service fee.

Oyster farmers

Oyster farmers need to account for oysters on hand as trading stock. This includes oysters held on sticks or in trays, or harvested and held ready for sale.

For more information refer to **Oyster farmers: calculating the value of trading stock.**

Beekeepers

If you are operating a beekeeping business for the purpose of honey production, you need to account for bees on hand as trading stock. You may be eligible to use a simplified practice of valuing a live hive rather than accounting for the individual bees.

For more information refer to **Beekeepers: calculating the value of trading stock.**

QC 42310

Depreciating assets

There are special rules to work out the decline in value of certain depreciating assets.

Last updated 19 October 2018

On this page

> Grapevines

A depreciating asset is an asset that has a limited effective life and can reasonably be expected to decline in value (depreciate) over the time it is used. Some assets, such as land and trading stock, are not depreciating assets.

The general depreciation principles apply to most depreciating assets used in primary production. However, the deduction for the following primary production depreciating assets is worked out using special rules for:

- water facilities used to conserve or convey water
- fencing
- fodder storage assets
- horticultural plants
- grapevines

See also:

- Guide to depreciating assets

Water facilities

From 7.30pm AEST, 12 May 2015, as a primary producer or irrigation water provider, you can claim an immediate deduction (previously the deduction was spread over three years) for certain expenses you incur primarily and principally for conserving or conveying water for use in a primary production business on land in Australia. You can claim the deduction even if you are only a lessee of the land.

A water facility includes plant or a structural improvement, or an alteration, addition or extension to plant or a structural improvement, that is primarily and principally for the purpose of conserving or conveying water.

Water facilities include:

- dams
- tanks
- bores

- irrigation channels
- pumps
- water towers
- windmills.

No deduction is available for expenses incurred on acquiring a second-hand commercial water facility unless you can show that no-one else has deducted or could deduct an amount of the earlier expense on the construction or previous acquisition of the water facility.

See also:

- Water facilities

Fencing

From 7.30pm AEST, 12 May 2015, as a primary producer you can claim an immediate deduction for the cost of fencing you incur primarily and principally for use in a primary production business on land in Australia. You can claim the deduction even if you are only a lessee of the land.

See also:

- Fencing and fodder storage assets

Fodder storage assets

You can claim a deduction for the full cost of a fodder storage asset, if you:

- incurred the expense either
  - on or after 19 August 2018
  - before 19 August 2018 and it was first used or installed ready for use on or after 19 August 2018
- mainly use it to store fodder
- use it in a primary production business on land in Australia – even if you are only a lessee of the land.

Claim the deduction through your tax return in the year you incurred the expense.

Fodder storage assets include:

- silos
- liquid feed supplement storage tanks
- bins for storing dried grain
- hay sheds
- grain storage sheds
- above-ground bunkers.

See also:

- Fencing and fodder storage assets

Horticultural plants

A horticultural plant is a live plant or fungus that is cultivated or propagated for any of its products or parts.

You can claim a deduction for the depreciation of horticultural plants, provided:

- you own the plants (lessees and licensees of land are treated as if they own the horticultural plants on that land)
- you use the plants in a business of horticulture to produce assessable income
- the expense was incurred after 9 May 1995.

Your deduction for the depreciation of horticultural plants is based on the expense incurred in establishing the plants. This does not include the cost of purchasing or leasing land, or expenses on draining swamp or low-lying land or on clearing the land. It would include, for example:

- the costs of acquiring and planting the seeds
- part of the cost of ploughing, contouring, fertilising, stone removal and topsoil enhancement relating to the planting.

You cannot claim this deduction for trees used in carbon sink forests.

See also:

- Calculating the decline in value of horticultural plants

Grapevines

If you planted and first used grapevines in your primary production business on or after 1 October 2004, the depreciation of the grapevines is worked out under the general rules relating to horticultural plants.

The specific rules for working out the depreciation of grapevines only applied to grapevines planted and first used in your primary production business before 1 October 2004.

See also:

- Calculating the decline in value of grapevines

QC 42312

Deductions and offsets for capital expenditure

Primary producers can claim specific deductions for certain capital expenditure.

Last updated 23 June 2021

On this page

Primary producers and other landholders can claim specific deductions for certain capital expenditure.

Find out about

- Electricity and phone connections
- Landcare
- Shelterbelts
- Fire preparedness and prevention

Electricity and phone connections

You can claim a deduction in equal instalments over 10 years for capital expenditure incurred:

- connecting mains electricity or upgrading an existing connection to land on which you conduct a business
- on a telephone line on, or extending to, land on which you conduct a primary production business.

The capital expenditure may be incurred on a depreciating asset using simplified depreciation rules or the uniform capital allowance system (UCA). These deductions are not available to a partnership.

See also

- Guide to depreciating assets

Landcare

You can claim a deduction for capital expenditure you incur on a landcare operation in Australia, if you are:

- a primary producer
- a business using rural land, except for mining or quarrying
- a rural land irrigation water provider.

You may claim the deduction even if you are only a lessee of the land.

See also

- Landcare operations
- Carbon sink forests

Shelterbelts

A shelterbelt is a line of trees or shrubs planted to protect an area from fierce weather.

Shelterbelts can be used to:

- protect crops and livestock
- improve biodiversity
- prevent or fight land degradation – for example, soil erosion or degradation of vegetation.

When you can claim a deduction

If you establish a shelterbelt on land on which you conduct a primary production business, you can claim:

- an immediate deduction for any costs for new fencing and reticulation (such as, pipes, fittings, sprinklers, pumps and bores)
- a deduction for the costs of site preparation, chemicals and trees – if the shelterbelt is established mainly to prevent or fight land degradation.

If you recoup any of the expenditure that you can claim as a deduction (for example, under a government assistance program), include that amount in your assessable income.

When you can't claim a deduction

You can't claim a deduction for:

- a shelterbelt created for a private purpose, such as to protect a home
- site preparation or tree planting costs if the shelterbelt is not established mainly to prevent or fight land degradation. The trees are not considered depreciating assets.

You need to include these costs as part of the cost base of the land for capital gains tax purposes.

See also

- What is the cost base?
- Landcare operations

- Fencing and fodder storage assets
- Water facilities

Fire preparedness and prevention

If you are carrying on a primary production business on land in Australia, you can claim a deduction for capital expenditure you incur relating to both:

- fire emergency preparedness and prevention assets
- activities on your primary production land.

You can't claim a deduction for fire preparedness and prevention expenses that are private in nature (for example, expenses related to protecting your private residence).

When you can claim a deduction

You can claim a decline in value (depreciation) deduction for the cost of the following assets based on their effective life:

- fire extinguishers
- fire shields made of non-combustible materials to protect water tanks and electrics on sheds
- wind breaks of permanent materials like rocks and iron (where they have a limited effective life and can reasonably be expected to decline in value).

When you can't claim a deduction

You can't claim a deduction for the following capital costs – but you can add them to the cost base of the land for capital gains tax purposes (this will reduce your capital gain if you sell the land):

- the cost of wind breaks of permanent materials like rocks and iron that do not have a limited effective life (and can be economically maintained for an indefinite period)
- the initial costs of creating fire breaks.

Other expenses you can claim

You can claim a deduction for:

- personal protective items such as goggles, gloves and fire trousers (but not conventional clothing)
- low value capital items that cost up to $100 each (such as hand tools)
- ongoing fire break maintenance (after the initial fire break is cleared)
- the cost of recharging fire extinguishers.

See also

- What is the cost base?
- Landcare operations
- Fencing and fodder storage assets
- Water facilities
- Fact sheets for primary producers

QC 42313

Water and carbon sequestration rights

Water and carbon sequestration rights are capital gains tax (CGT) assets.

Last updated 24 August 2016

Tradeable water rights

Water rights, such as licences and water allocations, are capital gains tax (CGT) assets. The permanent trade of a water right is a disposal of a CGT asset. A temporary trade of a water right is also a CGT event.

Exactly which CGT event will depend on the facts of each case, so you should seek advice from a tax professional.

Whether there are general income tax consequences as a result of trading a water right depends on your particular circumstances. If you are uncertain, request a private ruling on how the tax laws apply to your situation.

See also:

- Water entitlement reduction or replacement – CGT rollover
- How to apply for a private ruling

Carbon sequestration rights

Farmers and other landowners may manage or plant forests to participate in carbon sequestration activities. These activities which contribute to greenhouse gas abatement are enabled by state legislation, and are governed by rules under relevant state legislation, regulations and rules.

A carbon sequestration right is a CGT asset. There are CGT consequences of trading in carbon sequestration rights, which will depend on the facts and the manner in which your trade is carried out. For example, selling a carbon sequestration right to another entity before the end of a contract will trigger a CGT event as the sale will result in a change of ownership.

A carbon sequestration right, as defined in NSW legislation, is considered to be inherently connected with a primary producer's land and can be an active asset. Therefore any capital gain made by a primary producer from the granting of that right may qualify for the small business concessions if the conditions for those concessions are satisfied.

If you dispose Australian Carbon Credit Units (ACCU) as opposed to carbon sequestration rights, you should be aware the income produced from it is not treated as a capital gain and is assessable under Division 420 of the *Income Tax Assessment Act 1997*.

See also:

- Small business CGT concessions
- *Application of Division 420*

QC 42314

Managing your tax

Links to help you pay goods and services tax (GST), luxury car tax (LCT) and pay as you go (PAYG) instalments.

Last updated 24 August 2016

Special rules apply to the way primary producers calculate and pay goods and services tax (GST), luxury car tax (LCT), and pay as you go (PAYG) instalments.

Find out about:

- Goods and services tax
- Luxury car tax
- Pay as you go instalments

Goods and services tax

Learn when selling, leasing and subdividing farmland will be GST-free, and how to pay GST in 2 instalments each year.

Luxury car tax

Check conditions on where primary producers can claim refunds on luxury car tax they have paid.

PAYG instalments special rules for primary producers

How averaging provisions, farm management deposits and forced disposals of livestock affect PAYG instalments.

QC 42315

Goods and services tax

Learn when selling, leasing and subdividing farmland will be GST-free, and how to pay GST in 2 instalments each year.

Last updated 13 July 2023

On this page

GST instalments

As a primary producer, you may choose to pay goods and services tax (GST) in 2 instalments per year. Find out more at **Choosing GST instalments**.

GST on livestock and carcasses

The GST definition of food does not include live animals (other than crustaceans or molluscs). For GST purposes, meat is GST-free when it becomes food for human consumption. This happens when an authorised person inspects it and either stamps or passes it as food for human consumption in accordance with federal, state or territory law.

As a general rule, the GST status of a transaction is worked out when the transaction takes place. Therefore, if you sell a carcass before it has been passed as food for human consumption, your sale will be subject to GST.

Find out more at **GST on livestock and game sales**.

GST and property

If you sell or lease farmland

When you sell farmland it is GST-free if both:

- the land was used for a farming business for at least 5 years immediately before the sale
- the buyer intends to use it for a farming business.

A lease by an Australian Government agency or a long term lease of farmland is also GST-free if the above conditions are met.

A long-term lease is:

- a lease for at least 50 years
- likely to continue for at least 50 years because of renewals or extensions provided for in the lease.

Sub-divided farmland

A sale of sub-divided land on which a farming business has been carried on for at least 5 years will be GST-free if:

- it is permissible to use the land for residential purposes
- the sale is made to an associate of the supplier for less than market value.

The sale of farmland and certain assets may be GST-free.

If you sell farmland and you do not meet the above conditions, the sale is taxable and you are liable for GST on the price. For more information, see **GST and property**.

GST issues registers

For more information and guidance, see:

- **Primary production industry partnership** – for guidance on issues identified during industry consultation in the past.
- **GST issues registers** – for issues from the GST issues registers that are not public rulings.
- **Public rulings** – for issues from the GST issues registers that are public rulings.

QC 42316

Luxury car tax

Check conditions on where primary producers can claim refunds on luxury car tax they have paid.

Last updated 2 December 2019

From 1 January 2020, primary producers can claim a refund of luxury car tax (LCT) they have paid on **one eligible vehicle** per financial year, up to a maximum of $10,000, for vehicles delivered to them on or after 1 July 2019.

If you've lodged a claim for an eligible vehicle delivered on or after 1 July 2019, you won't need to make another claim to receive the increased refund amount.

From 1 January 2020 when the law comes into effect, we will adjust your refund based on the amount you have already received.

If an eligible vehicle was delivered to a primary producer on or before 30 June 2019, they can only claim a refund of 8/33 of the LCT they have paid, up to a maximum of $3,000.

See also

- Luxury car tax rate and thresholds
- Credits and refunds

QC 42317

PAYG instalments: special rules for primary producers

How averaging provisions, farm management deposits and forced disposals of livestock affect PAYG instalments.

Last updated 25 July 2019

Averaging provisions

Tax averaging provisions even out your income and tax payable (over a maximum of 5 years) to allow for good and bad years. This ensures you don't pay more tax over time than taxpayers on comparable, stable incomes.

PAYG instalments don't affect your entitlement to income averaging. The instalment rate or amount we work out for you will take your averaging provisions into account.

Farm management deposits scheme

The farm management deposits scheme helps you to deal with uneven income flows. You can make tax-deductible deposits during successful years, which can be redrawn during less successful years.

If you make a farm management deposit, your instalment income for that period is reduced. The amount must be included in your instalment income in the years when you withdraw a **farm management deposit**.

Forced disposal of livestock

If you are forced to dispose of livestock, you can choose to spread any profit earned from the disposal over a period of 5 years.

Alternatively you can choose to defer the profit and use it to reduce the cost of replacement livestock in the **disposal year or the next 5 income years**.

Payment options

As a primary producer, a range of PAYG instalment payment options are available so that when and how much you pay aligns with changes in your income.

We'll let you know which options are available to you. You may be able to **pay quarterly, twice a year or annually**.

QC 42318

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.