



Sports club in tax shock

Backdated bill of \$180,000

By KATE MURRAY

A COMMUNITY sports club could be forced to close down after receiving a massive land tax bill backdated to 2001.

Morisset Country Club has been served with a bill for almost \$180,000.

The first the club knew of its land tax problems was in December 2004, when it got a bill for \$41,376 covering the 2004 tax year. Club president Ellen Rae appealed against the bill, arguing that as a registered sports club with a public golf course and bowling greens, Morisset should be exempt from land tax.

But the Office of State Revenue knocked back the club's appeal because its land is owned by a private company — and then took the opportunity to tax it back to 2001, creating a bill of \$178,164.

The club has a clause in its lease to pay all taxes, meaning it is stuck with the bill instead of the landowners.

"We're on struggle street," Ms Rae said. "For a small club to be lumbered with a bill for \$180,000, it was a body blow. We really feel this is an unfair impost."

A spokeswoman for the Office of State Revenue said it was not about how the land was used but who owned it.

The spokeswoman said although the OSR could not comment on individual cases, non-profit clubs on private land could still be liable for tax.

"An exemption from land tax does apply where land is owned by or held in trust for any club or body or persons, and used primarily and principally for the purposes of any game or sport," she said. "Exemptions don't apply unless the land is owned or held in trust for a club."

Club director Ian Taylor said the club would fight to stay open. "We're going to really struggle but by hook or by crook we'll get through," he said. "The Government is turning a viable, community club into one that's struggling to stay afloat. The tax needs to look at the end use of the land, not just who owns it."

Morisset Country Club caters to several hundred pensioners and junior members who have no other golf or bowling clubs nearby.

The OSR spokeswoman said that while land tax was generally paid by landowners, lessees could have to pay it if their own lease agreement said so.

"Decisions relating to the payment of land tax on leased lands are a matter between the land owner and the lessee."