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Managing your tax

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Special GST rules for primary producers

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

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QC 42315

Special GST rules for primary producers

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

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

Special LCT conditions for primary producers

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

Last updated 22 August 2025

Primary producers registered for GST can claim a refund of luxury car tax (LCT) they have paid on **one eligible vehicle** per financial year. The refund can be up to a maximum of \$10,000. It must be claimed within 4 years of becoming entitled to it.

An eligible vehicle is a four-wheel drive or all-wheel drive, which is either:

- a 'passenger car' with a ground clearance of at least 175mm
- an 'off-road passenger' vehicle.

For LCT purposes, a primary producer is an individual, partnership, trust or company carrying on a primary production business, including:

- plant or fungi cultivation
- fishing or pearling
- tree farming or felling

For more information on primary production, refer to *TR 97/11 Income tax: am I carrying on a business of primary production?*

For more information, see:

- Luxury car tax rate and thresholds
- Credits and refunds

QC 42317

Special PAYG instalments rules for primary producers

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

Last updated 22 August 2025

Averaging provisions

Income 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.

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.

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