

Building permit levy – liability to pay and refunds

This supersedes the previous *Practice Note 2005-50* issued June 2005.

1. Summary

The building permit levy including HIH levy is payable by the applicant for the building permit and must be paid before the building permit can be issued as required by section 201(2), Building Act 1993 (the Act).

Building Surveyors should note the following 2 issues:

- (a) the application of the liability to pay the building permit levy; and
- (b) dealing with applications to refund the building permit levy.

2. Rulings

(a) The building permit levy is payable on the issue of every building permit unless otherwise exempted and includes the following instances:

- ▶ A new building permit issued where the original permit has lapsed. A replacement permit is (for the purposes of the Act) a totally new and separate building permit.
- ▶ A building permit issued for building work, even if such work would not normally require the issue of a building permit, (i.e. the owners of the building work may request a permit for their own peace of mind), is for the purposes of the Act a building permit.
- ▶ A new building permit issued due to a substantial change in the nature and type of building work as provided for in the original permit.

(b) A refund of the building permit levy is allowable only in circumstances where the levy was paid prior to the issue of the permit and the application is withdrawn prior to the issue of the building permit.

Please note that in the following circumstances the building permit levy is payable and no refund is applicable:

- ▶ Building work does not proceed;
- ▶ Partial completion of the building work;
- ▶ Building permit lapses; and
- ▶ Cancellation of the building permit.