

# Calculating the building levy from 1 July 2024

The building levy payment is collected from the applicant (usually building owner or developer) by a building consent authority and paid to MBIE. The building levy must be paid before the building consent is granted.

The rate of the building levy is based on the minimum estimated value of the total building work for the building consent.

Building consent authorities should assess the value of the estimated building work stated on the building consent application, to ensure the value represents the market value of the work. For further information about checking the estimated value of building work, please refer to the Building Levy Guidance.

The building levy applies to every \$1,000 (and part \$1,000) of consented building work.

If the building value decreases or the building consent lapses, the applicant can apply to the building consent authority for a refund of the building levy. The building consent authority can either refund the applicant 100% of the refund, or 97%, assuming that the authority paid the building levy to MBIE by the 20th of the month.

The building levy rate is \$1.75 per \$1,000 and part \$1,000. The threshold is \$65,000 (including GST) effective from 1 July 2024. The previous threshold was \$20,444 (including GST).

**IF YOU HAVE ANY QUESTIONS, PLEASE EMAIL:  
BUILDINGLEVYRETURNS@MBIE.GOV.TZ**

## Formula

Value of building work	Rounded value	Building levy rate (including GST) per \$1,000	Building levy payable
\$126,569	\$126,569 rounded up to the next \$1,000 (\$127,000) and $\div \$1,000 = 127$	\$1.75	$127 \times \$1.75 = \$222.25$

## Rounding and threshold examples

Value of building work	Rounded value	Building levy rate (including GST) per \$1,000	Building levy payable
\$46,500	Not required as under threshold (assuming consent is granted on or after 1 July 2024)	\$1.75	Nil
\$71,585	$\$72,000 \div \$1,000 = 72$	\$1.75	$72 \times \$1.75 = \$126.00$
\$502,500	$\$503,000 \div \$1,000 = 503$	\$1.75	$503 \times \$1.75 = \$880.25$

## Examples of how to recalculate the building levy if the value of building work changes

### SCENARIO 1

#### THE ORIGINAL VALUE OF BUILDING WORK WAS UNDER THE THRESHOLD, SO BUILDING LEVY WAS NOT CHARGED FOR THE ORIGINAL CONSENT

Roimata is planning an alteration to her house and a building consent has been granted, based on the building work value of \$47,000. As the value of the building work was under the threshold of \$65,000 (including GST), building levy was not payable. Roimata has now decided to change the materials being used for the alteration, increasing the value of the building work by \$22,000.

Original value of building work	Date consent granted	Levy paid	Amendment to building consent	Calculation of building levy based on amendment
\$47,000	17 July 2024	Nil	Increased by \$22,000	\$120.75 building levy payable $69 \times \$1.75 = \$120.75$

### SCENARIO 2

#### VALUE OF BUILDING WORK REDUCES BELOW NEW THRESHOLD WHERE THE ORIGINAL CONSENT WAS GRANTED BEFORE 1 JULY 2024

On 31 May 2024 Sione was granted a building consent for the construction of a large shed with an estimated value of building work of \$82,500. Sione has now decided to reduce the size of the shed and the new estimated value of building work is \$60,000. As the consent was originally granted before the threshold of \$65,000 came into effect, the threshold of \$20,444 that was in force at the time applies. He is entitled to a refund on the difference in the value of building work (less an administration fee).

Original value of building work	Date consent granted	Levy paid	Amendment to building consent	Calculation of building levy based on amendment
\$82,500	31 May 2024	\$145.25 ( $83 \times \$1.75$ )	Decreased by \$22,500	Sione is entitled to a refund of \$40.25*. ( $23 \times \$1.75$ )

### SCENARIO 3

#### VALUE OF BUILDING WORK REDUCES BELOW THRESHOLD WHERE THE ORIGINAL CONSENT IS GRANTED ON OR AFTER 1 JULY 2024

Aakash was granted a building consent for the construction of an office at his commercial premises, with an estimated value of building work of \$75,000. The building levy payable was \$131.25. Aakash has now decided that he will construct a smaller office for \$50,000. As the value of building work will now be below the threshold of \$65,000, he is entitled to a refund of all the building levy previously paid (less an administration fee).

Original value of building work	Date consent granted	Levy paid	Amendment to building consent	Calculation of building levy based on amendment
\$75,000	19 July 2024	\$131.25 ( $75 \times \$1.75$ )	Decreased by \$25,000	Aakash is due a full refund of \$131.25*

### SCENARIO 4

#### AMENDMENT TO A CONSENT GRANTED PRIOR TO CURRENT BUILDING LEVY RATE

Nikau and Mikaere were granted a building consent for their new home in 2019. Nikau is building the house himself; the house is still under construction in 2024. They have applied to the building consent authority for an amendment to their original consent to add an ensuite, increasing the value of building work by \$35,000. As this is an amendment to a building consent calculated at a previous rate of building levy, the levy must be calculated using the rate applicable as at the date the original consent was granted.

Original value of building work	Date consent granted	Levy paid	Amendment to building consent	Calculation of building levy based on amendment
\$550,000	4 October 2019	\$1,105.50 ( $550 \times \$2.01$ )	Increased by \$35,000	An additional \$70.35 of building levy is payable. ( $35 \times \$2.01$ )