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To: Tax Reform Taskforce [taxreformtaskforce@treasury.nsw.gov.au]
Subject: Stamp duty reform feedback
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The following are just some of the topics on which public comment is sought:

1. Do you agree that stamp duty is out of date and is a handbrake on the economy? Is there merit in replacing it with a broad-based annual property tax?
 - a. 100% it is a handbrake, and I highly encourage you to move forward with the proposed reform. Stamp duty has literally been the bane of my property-buying existence for the past 8 years, and kept me out of the housing market for 6 unnecessary years as a first home buyer. I was only able to get my first property by purchasing a new build home well away from my normal residence, live in it for a year, then rent where I need to live. I'm currently trying to buy a place where I need to live in as rents are higher than mortgage repayments in my area. Stamp duty is again stopping me from purchasing a home to live in that I can easily afford, relegating me to renting; unless I sell my investment property to free up equity. I don't want to do this as I want to invest in property as a surety in the event that I am unable to work in the future. So essentially I'm trying to ensure that I do not encumber the tax payer in the event of an unfortunate event or by drawing a pension in 30 years time, but inefficient taxation is preventing me from doing so.
 - b. I think your team is on the right track; taxation exists to help the community, not hinder it, and I applaud you for your efforts to move in the right direction.
2. The annual property tax would be based on unimproved land value, much like the way council rates are currently calculated – what do you think of this approach?
 - a. I defer to the experts here and don't have the financial background to offer a better solution
3. Do you agree that it would be attractive to be able to choose an annual property tax rather than paying a large lump-sum stamp duty on a purchase and, for investors, the current annual land tax?
 - a. Yes, as discussed above
4. Is an opt-in and gradual approach the best way of ensuring a fair transition to the property tax?
 - a. Yes, great and fair idea
5. Would you delay a home purchase if it meant you could opt-in to the property tax? Should there be a limited window for retrospective opt-in to the property tax, after it commences?
 - a. Yes, I'm going to wait and see if you're able to bring this reform in so that I can afford to purchase the type of place I can easily service.... Right now I'm paying more in rent than I would be in mortgage repayments!
6. Should there be different property tax rates for residential owner-occupied properties, residential investment properties, farmland, and commercial properties?
 - a. I think we need to reward home-owners for removing pressure from the rental market with a reduced tax rate. I'm happy to pay more tax on an investment property (not massively, but you get my drift) given there are significant tax reduction incentives in place as a reward for putting my own money and risk up to provide housing. For farmland and commercial properties, there needs to be a balance between not screwing over the small guy (and our farmers who are feeding the country) while also still producing the tax revenue from property ownership that benefits us all.
7. Given this tax reform is an investment into our future, do you think it is worth the cost?
 - a. I encourage you to do anything you can to tax the population **smarter** in order to serve the community better

8. Should price thresholds be used to exclude people buying the most expensive properties from being able to choose the property tax?
 - a. I'm not a massive fan of penalizing the super wealthy. Certainly for overseas investors who are clearly moving money here and pushing up our values while not living here, but not for Australian based citizens who've just done well for themselves. We should remember that an individual who has a lot of money is likely providing a lot of employment.
9. What arrangements should be made for residential and commercial tenants if their landlord chooses to pay the property tax?
 - a. Tough to enforce, but tax should not be pushed on to the renter
10. What should happen for people who have chosen the property tax, but then can't afford it?
 - a. Same as what happens if someone can't afford their council rates? Lending is so tight here, at least in my experience, in the current climate I would say it's unlikely they would be approved for the mortgage by the lender. It's in the lenders interest to ensure the individual can service the property inclusive of tax, just as the individual's spending habits and other financial commitments would be assessed.
11. What is the best way of ensuring that the property tax remains affordable for taxpayers, while generating the same amount of long-run revenue as stamp duty and land tax?
 - a. I think you would have to assess what your current stamp duty revenue is based on... a factor of how often property changes hands and result in a stamp duty payment, thus how much we're losing by removing stamp duty, maybe make it taxable per annum at 1/10th of the current up front amount would certainly seem fair from a tax-payer's point of view, but I'd be concerned about the impact to annual tax revenue in the transitional period, which would slump by the remaining amount. However, I'd say in 5 years time the tax revenue situation would be looking a lot more positive as so many more people are able to purchase property.
 - b. However, I very much doubt it's going to have a downward pressure on the housing market as you suggest. I think a lot of people who stocked up on property in the early 2000's or post GFC and have made significant capital gain windfalls are either going to hold their portfolios, as they have already paid stamp duty, and/or see this as an opportunity to increase asking prices due to a significant increase in eligible buyers. Regardless, it is the supply/demand effect on prices that should be dictating whether or not we can afford a property, not the upfront tax.
12. Is there a specific aspect of our proposed reform you would change to help make the proposal better?
 - a. No, but I also have little financial training and expertise. Please keep engaging community leaders/financial experts, and thank you for moving ahead with this much needed reform. The situation of housing unaffordability gets exponentially worse due to stamp duty as the market values increase. Thank you.