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Sent: 9/03/2021 7:37:55 AM
To: Tax Reform Taskforce [taxreformtaskforce@treasury.nsw.gov.au]
Subject: Stamp Duty Changes - Stamp Duty should always be an option

There should always be a option to pay Stamp Duty or Annual Property Tax

There has been a lack of honesty regarding removing the option to pay upfront Stamp Duty once an owner changes a property to the proposed Annual Property Tax.

I have discussed the proposed changes with family, friends, and work colleagues, many thought the changes could be a good idea until they understand - they will not have a choice/option to pay upfront Stamp Duty once the property is switched to an Annual Property Tax system.

So often I read "Under the plan people will have a choice between paying Stamp Duty upfront or opting for the smaller Annual Property Tax". This is completely misleading!

We should not be locked into an ongoing annual property tax system because a previous short-term owner wanted the benefit of paying little towards the stamp duty/property tax system.

There are some great reasons for people to pay annually:

- It can make it easier for some people to get into the property market.
- People can choose to move more often, possibly closer to work, family etc.
- It will suit property renovators (flippers) wanting to own short term.

However, for anyone wanting to own the average property for longer than 7-8 years they would be financially better off paying Stamp Duty.

The burden of paying an ever-increasing Annual Property Tax all the years you own the property, would be another cost to bare, in addition to paying rates and for many strata fees.

As a parent, I want my children to always have a choice when they buy property – to suit them if it is a short-term or long-term purchase.

I personally want to have a choice as I get older and decide to change properties.

I do not want to be lumped with another annual fee on top of council rates and strata fees when I will no longer have an income to support paying an annual property tax.

Or being forced to sell my home, to then rent or purchase something cheaper so I can afford the ongoing Annual Property Tax.

If the Treasurer is wanting more assurance of an ongoing income, then add other options:

Always offer a choice of Stamp Duty or Annual Property Tax, there are people for both systems.

Offer owners an interest free term to pay stamp duty over 5-7 years, If the property is sold prior to the 5-7 years, then any outstanding balance would need to be paid upon the sale of the property.

The current proposal is a disguised form of Wealth Tax, only being charged to property owners.

Not all property owners are wealthy, there are also wealthy people who do not own property and will avoid this Wealth Tax.

The NSW Government should reduce any form of stamp duty/annual property tax and implement a more equitable tax, paid by many different members of the community not just property owners.
Possibly reduce Stamp Duty/Property Tax and increase GST by 2 to 2.5%.

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