
Sent: 10/01/2021 2:43:33 PM
To: Tax Reform Taskforce [taxreformtaskforce@treasury.nsw.gov.au]
Subject: Land tax proposal - my opinion
Flag: Follow up

Good day.

I think the proposal is overall quite good, but I have some concerns that I don't believe have been addressed yet.

1. Offering grants to first home buyers in lieu of the stamp duty concession is proposed to last only for the transition period of, say, 3 years. There is no first home buyer assistance for after this period that I can see. If the grant is to be temporary only, it would be good to help first home buyers another way. My suggestion is to either retain the \$25k grant indefinitely (as was done with the \$10k FHOG), or to waive the first 3 or 5 years of land tax for first home buyers after the transition period ends. This will let the household settle into the rhythm of home ownership with one less bill to juggle. This should only apply to the first home. If they sell and buy another home in that 3-5year period, they should be charged the land tax on the second property.

2. Abolition of upfront stamp duty means houses will become more affordable and easier to buy. My concern is this will inflate the price of housing, even after the transition period ends. The \$25k grant will greatly help first home buyers within this transition period, but first home buyers 5 years from now will be much worse off. It will mean they will need to save a much larger deposit before they can buy their first home.

3. How will this new land tax be collected? Additionally, how will non-payment be handled? If it is left to the local Councils, there will be inconsistencies and more beaurocracy within some of those Councils. It will also mean the Councils will need to take a slice of the land tax for the collection. If it is payable directly to the NSW government it should be a more efficient process.

4. I'm interested to know the proposed timetable for implementation. I've heard it may be in the second half of 2021, but as yet there has been nothing more than supposition.

If you have a mailing list for updates on the proposed tax reform, please include me. I will be interested to watch this one develop.

Kind regards,

[Redacted signature]