
From: [REDACTED]
Sent: 5/01/2021 8:28:37 AM
To: Tax Reform Taskforce [taxreformtaskforce@treasury.nsw.gov.au]
Subject: Stamp Duty Change Proposal
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Hello

[REDACTED] and I'd just like to send an email with my thoughts and comments regarding your proposal of stamp duty reform.

I am hoping my comments are taken seriously.

1 – Firstly, NSW government has to put in it's mind the golden goose egg (Stamp duty), can't always be like this. NSW Government has to put in mind that they're making too much money out of this tax, and it's time they simply reduce the tax. Full stop. It simply is excessive. They are abusing of an essential need that is starting to become limited. This is exploitation. For example: car registration green slip, the price has dropped. Reduce stamp duty percentage for the lower 80-90% property prices or anything under 1.5 or 2 million and/or depending on regions (value is relative).

2 – Stamp duty simply has to be reduced for Home owner occupiers and nobody else. To compensate the loss, increase investor and non home owner occupier stamp duty. If NSW Government wants to increase the dream of Australians, this is what needs to be done. Investors to profit on the essential needs for Australians needs to be abolished and/or severely reduced. The impression that the Government is giving with this reform isn't to help Aussies afford their home, it's instead for the government to keep its big dollars coming in what they predict in the future to be a smaller golden goose egg.

3 – Stamp duty percentage needs to be changed. Income tax, gst, and all other taxes maintain a relatively reasonable ratio to inflation and income range. You can't put a percentage of purchase price when home prices are always rising exponentially. It is not correct, not fair, and creates a stronger division to the quality of life to the future generations of hard working Australians.

On your consultation paper, you have a graph with median wages growth, stamp duty and mean property prices. Stamp duty should be growing at the same rate as wages grow, not the rate of property prices. Currently, this is unsustainable and this is another factor that needs to be changed.

What is the reason for having to pay \$30,000+ just to register a property on my name. \$30,000+ doesn't just fall off the sky to pay for someone to register on the computer for the shelter to provide for myself and my loved ones.

4 – What's the NSW Government's reply towards creating division of two types of property when purchasing? The two division being property with stamp duty optional, and property with land tax mandatory?

5 – There is no attraction in (my situation) having the option of paying stamp duty in 1 go vs paying it during my entire life. Also, the government mentions that they don't plan to increase or decrease the final income of stamp duty. There isn't much difference in long run. This only benefits house hoppers, but they still eventually still sign up for an entire life of land tax which is?? So, what will be the land tax that everyone will be paying if the by a property at age 30 until retirement or death? 40 years paying land tax is what everyone will be paying if not more. What a clever idea to keep the golden goose egg rich. What will be next? Breathing air oxygen tax?

6 – Of course there should be different rates for home owner occupiers vs investors. Investors should pay more than what they're already paying. The current scheme is favouring the rich to get richer and the poorer to get poorer.

7 - *What arrangements should be made for residential and commercial tenants if their landlord chooses to pay the property tax?* – My comment to this is their won't be any chance of imposing any of this. The situation is identical to banks lending more and increasing property prices for everyone. It will cause an identical domino affect. They just

increase rent, because costs are higher. You want it, pay for it, if not go sleep on the road. That's the conditions imposed and given to us.

8 - *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?* – Again, the NSW government needs to find other places to get it's revenue. NSW Government has to re-think taxes because it's getting too spoilt in Stamp duty. Housing is an essential health well being and something that should be profited on. Increase investor taxes more.

9 – Why would an old couple in a house not paying any land tax on their property move to a property to pay land tax? It is true that they won't pay Stamp duty, but compared to paying nothing, they still will be paying an extra yearly tax, which in retirement could easily go for more then 15 years. How much is land tax after 15 years?

10 - Also, when transferring property percentages between owners, how will that be affected?

Example: Person A has 33%, person B has 33% Person C has 34%. In the current system person A sells their part to person B. What is the option? In the old system they would pay the equivalent stamp duty. Will the property be able to have land tax on 33%?? How will this work?

11 – Giving \$25,000 grants to first home buyers if they opt to pick land tax over free stamp duty?

Have you really analysed this option? Giving away money this way? I would like to know more details on this.

12 – What are the benefits for first home buyers when coupled with non first home buyers? The same way someone pays stamp duty on 33% of property when they transfer to another person, why isn't there an exemption of 50% if coupled with a first home buyer?

13 – A lot of people have purchased their property in years where prices/stamp duty was extremely lower compared to these days (2000 – 2019). In a couple of years, there will be a division of people that pay land tax compared to people that don't pay land tax. This again will cause a division in society with taxes being targeted unfairly. What is the response to this?

Example: Someone that purchased a property in greater Sydney in the year 2000 and 2010, would have payed stamp duty for house price of \$350,000 and \$700,000 respectively, compared to a \$1,000,000 property in the year of 2020. The difference in stamp duty compared in those years to now is abysmal, and unfair. People that bought property 10+ years ago paying <\$15,000 stamp duty compared to >\$40,000 these days, is providing an unfair tax system, because in the end they will be paying no land tax with little stamp duty and the new purchases will be paying a lot higher values. At some stage there will be a division of people that pay land tax and people that don't pay. It is not fair that some people had the option of paying little amounts <\$15,000 compared to todays >\$40,000 amounts. Put the questionnaire to people if they prefer paying stamp duty of \$15,000 or land tax and you will understand the answer.

There will be too much division of people paying land tax and people not paying land tax. Yes they paid stamp duty, but at minimal costs just because they were fortunate to purchase in fortunate years. Why is it that some people have to pay tax to have shelter and others don't?

Income tax has been a stable tax with a fairer system, unlike stamp duty that needs to be reduced due to the exponential rises in property prices.

If you want a tax reform to get revenue, get the money from investors, increase council rates for people that have investor properties.

The other idea is to just to implement a tax for the rich and wealthy like the government implemented GST.

14 – The government needs to assess the taxes equally. This tax is being implemented only on people that transact properties. What about those that already have held properties for years or that don't need to? This is biased for those unfortunate enough to not have job stability and having to move more compared to others. Unfair tax, again. Income tax is a tax that applies to everyone that inputs to the economy and country. Stamp duty is only to those that are homeless without a place they can call it their home or that need to move house. Again NOT favouring the less wealthy. This is a targeting exploitation tax that is not balanced. Its targeting a specific group. Not a fair tax.

15 – How sure are Australian citizens that once they opt to pay stamp duty, that there will be no future changes in taxes in 20, 30, or 50 years?

16 – I don't think the reform is an investment into our future. An investment in our future would be allow for future generations to have more disposable income beyond the basic needs (bills, essential needs, food, accommodation). Every Australian on a mortgage would be close to minimum wage. People on minimum wage don't have money to invest back into the economy. If people don't have mortgages/rents, they will invest all that money back into the economy. Rent and Mortgages in the end is just to profit banks, the rich and international investors that do not give back to the country.

17 – There needs to be a larger reform to property policy in Australia. The proposed reform at the current stage is not fulfilling the needs to all the essential parts of the hard working Australian's needs.

18 – How will people that paid stamp duty in the last 1-2 years be benefited from this?

19 – How will this provide affordability if the tendency in real estate sales will be to bump up prices by the a mount of stamp duty, because people have more disposable income equal to the a mount of stamp duty they would not be paying? People will have more bidding power and eventually rise prices between each other.

20 – Finally, the reform is at least good for people that move house often.

These are some thoughts on the proposed reform.

Finally, I would like the respondent to give me appropriate feedback on my comments and provide evidence that my comments and thoughts have been seriously analysed and considered to the Stamp Duty reform.

Thank you,
Best Regards,
Hard working Australian