
Sent: 15/03/2021 5:57:06 AM
To: Tax Reform Taskforce [taxreformtaskforce@treasury.nsw.gov.au]
Subject: FW: Stamp duty vs Land Tax discussion paper response

TaxReformTaskforce@treasury.nsw.gov.au

Confidentiality is requested as per your discussion paper

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15th, March 2021

Dear Sir/Madam,

I am writing to you in regards to your consultation paper regarding changes to stamp duty and land tax of March 2021.

Please be advised that we strongly disagree with this proposal. It is nothing more than a perpetual money grab by the state government turning homeowners in NSW into eventual renters of their property. It may be enticing to new home owners now, however It is detrimental to the population of NSW over the longer term.

As an annual land tax paying family we are well aware of the imposition of this proposal.

It is pretty obvious that If the NSW government believes it is burdening home owners with initial purchase through the cost of stamp duty then perhaps they should take note of their own words in their discussion paper where stamp duty has increased from 0.5% in 1865 to the nearly 4% that it is currently in 2021.

In other words, the NSW government has milked the stamp duty system until the tax became unaffordable. Who would have thought that continuing to increase prices would eventually turn away customers? Business 101. Rethink your rate back to the original 0.5% and stop milking working people.

As stamp duty is proposed to be turned into land tax you should know that land tax is already a burden to those of us who pay it. It is an unfair tax which changes from year to year at the whim of the valuer general using questionable methods of determination. And in the past few years the valuations have been getting more extreme as the NSW government reaches out to recover more money. There is nothing fair and equitable about it. I would prefer a statewide fixed square meter rate over a property valuation any day. At least that is calculable and not subject to the fluctuations of the realestate market, the governments immigration policy, and the reserve banks only lever, the 'interest rate'.

I can only imagine the excessive valuations or percentage tax increases in the broad base system once everyone is locked into it and as the government decides it needs more money for the year. Frankly as a government you aren't trusted not to reach for more money in future just as you are doing with this proposal.

How will people in retirement calculate how much they need to put away in future to pay their unknown and uncalculatable future land tax bill? It can't be done with any degree of accuracy.

Your proposal to lock in perpetual land tax will also create a two-tiered property system where people search for and pay more for land without perpetual tax. Distorting the market. Many people want to pay it once and forget about it.

Particularly as they head into the retirement phase where money is managed much more careful than during the working phase of their life. People do not want to be burdened with another annual bill above the rates, electricity, gas, water, telecommunications, vehicles and any other bills they may get. We have all read the stories of elderly people who don't turn the heater on in winter because they cannot afford the energy costs.

The 'locking' mechanism which will apply to all future land owners of the land once it has been converted to perpetual taxation only proves the point that this tax is nothing more than a greedy perpetual money grab, and has little to do with housing affordability.

Perpetual tax also becomes a defacto inheritance tax. Elderly people who can't afford to pay it will then have the property sold at their death to pay the governments ludicrous bill. Leaving nothing of their lifes work for their children. In the end you want it all!

Currently as a government collective you charge stamp duty, land tax on applicable properties, GST if applicable to commercial transactions, and capital gains tax. Frankly I can understand the capital gains tax as it is considered earned income. GST should either fully apply or not apply at all to all property transactions. Stamp duty should be a fixed fee of say \$2000 for the labour required to change the title information in the lands register and that's all.

Further to this, the government as whole both federally and at a state level already take 30% of a workers money in payroll tax, another 10% in GST, a large fuel excise, large alcohol excise, and a greedy tobacco excise for those that smoke, council rates, vehicle registration and a host of other charges. We all remember 3x3 fuel excise that never really ended.

In NSW, the current government has sold off the income producing assets, has crippled motorist with endless tolls and is currently preparing to cripple the population with high energy prices while chasing the green dream, and created reams of useless legislation that hamper the economy. An average trip to the waste refuge now costs \$400 per tonne of tipped material. So it would be fair to say that with all the ridiculous charges in this state and country, tax paying workers are contributing at least 60% if not 70% of their money to government coffers.

And you people want more?

We then look at what you spend it on and a few recent examples that come to mind: \$30 million for \$3million worth of land at Badgeries creek, the 2050 green dream, \$100 worth of restaurant vouchers to anyone who wants it in the state, the \$100 million council grant rort for votes.

And now you want perpetual land tax to waste more?

Once again. I strongly disagree with your proposal. The government should rethink this and if required remove stamp duty with no replacement. Now that would be revolutionary!

Regards



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