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Sent: 6/02/2021 10:37:57 AM
To: Tax Reform Taskforce [taxreformtaskforce@treasury.nsw.gov.au]
Subject: Stamp Duty Consultation SUBMISSION

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 Do you agree that stamp duty is out of date and is a handbrake on the economy?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?

Yes, there is merit in removing stamp duty for residential real estate but no merit in replacing with land tax for houses valued at below a certain point (eg. no stamp duty or land tax for those living in homes with value at or below the median or something similar – something like the tax free threshold for income tax). Why charge stamp duty/land tax for people living in a home? Councils should charge rates to fund communities. Governments should not be relying on land value to fund their existence. Tax wealth not income nor someone's home in which they live.

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?

This idea that fees/taxes are charged based on land value is poor policy. These policies promote inequality and lazy public servants who expect increases and hence promote subsequent policies to keep land prices rising. This has been going on for decades and the financial/banking sector has obliged in keeping the ponzi alive. Tax wealth, tax investment, tax speculation but please stop taxing labour and our store of labour which for the average citizen, is in their home.

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?

No, absolutely not. If you do introduce this change (it is NOT reform), then you must not 'grandfather' nor give choice as this will create more distortion – in an already distorted market. Those who paid stamp duty 30 years ago should still pay annual land tax. My calculation suggests 2010 as the base year. That is, anyone who bought property prior to 2010 should start paying annual tax. Those who bought afterwards, should start paying after 15 years.

4. Is an opt-in and gradual approach the best way of ensuring a fair transition to the property tax?

No. All or nothing. Although I repeat, this is lazy and unfair policy. Collect taxes from non-residents/citizens, vacant homes/land and investors. Successive governments have sold off income producing assets to private enterprise and now have to resort to slugging residents ridiculous taxes on ridiculously overpriced property in Sydney.

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?

No, if you change, go for it all or nothing. Take it to an election. No stuffing around opting and grandfathering.

6. Should there be different property tax rates for residential owner occupied properties, residential investment properties, farmland, and commercial properties?

Yes, as outlined earlier.

9. What arrangements should be made for residential and commercial tenants if their landlord chooses to pay the property tax?

None, let the market deal with this and stop the constant meddling in the real estate market.

10. What should happen for people who have chosen the property tax, but then can't afford it?

Do not charge it. Find another source of revenue. Start taxing the companies to whom you sold toll roads, hospitals, aged care, churches and foreign investors parking their ill gotten gains in Sydney real estate. Start at the north shore of Sydney, you will make a motza.

Governments need to fund services however, they need to spend within their means. You cannot assume that citizens are able and willing to continually fund the life styles of government employees and government largesse. Tax investment income, tax speculation, tax the top 20% and curb unnecessary expenditure and high public salaries. What you are proposing is good if it is done equitably. Stamp duty must be removed or at least, substantially reduced. But thanks to central bank policies, we are here with outrageous real estate prices. It is your job now to get rid of stamp duty for home owners, introduce a tax to those who gain from real estate.

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