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We are self funded retirees. Our small income comes from two retail properties that we let, in Hobart.

Tasmania has by far, the highest rates of land tax of all States and coupled with recent "land valuations" of an increase of 30% leading to a land tax increase of more than 60%, we must impose this huge impost on our small retail tenants or sell up.

Our land taxes are in excess of \$13,000 yet our income is so low we are below the level at which we pay income tax. This is wrong. In any other State, with our small investment, we would not pay land tax.

2014 Revaluations. In North Hobart the median increase in land "values" is 27%. Given that these properties are owned by small business people, this will increase their average land valuation by around \$138k and their land tax by around \$2,000 to \$3,000 depending on a number of factors. Small business, takeaways, cafes, etc in other parts of Hobart then Glenorchy and so on will be hit hard, as the revaluations proceed.

Domestic Rents will also increase with the new valuations, as owners attempt to recoup these increased costs from their tenants although the increases will not be as savage as business increases.

This Government is supposed to look after small business. With these levels of increases throughout Hobart every small business will be seriously hit either as an owner occupier, or taxes passed on by owners to tenants. So much for Government rhetoric!

Land Tax was meant to be abolished with the introduction of the GST. It wasn't, in Tasmania, it increased. To the point that business is being seriously harmed. This is the State Treasurers justification:

"Tasmania has the lowest average land values of all Australian jurisdictions and, as a result it has a low land tax threshold. However, this does not mean that Tasmanians pay more in total land tax than other jurisdictions, nor does it mean that land tax represents a larger proportion of Tasmanian Government revenue than other jurisdictions.

For example, on a per capita basis Tasmania collects significantly less land tax revenue than any other State.

Overall, Tasmania's land tax framework is very competitive by comparison with other States. Not only is our land tax framework competitive, but so too is our general tax base. A recent assessment by the Commonwealth Grants Commission found that Tasmania has the lowest taxation severity of all jurisdictions and it is well below the national average."

In effect the Government is super taxing on Land Tax to make up for reduced taxation in other areas, such as motor registration. This is an inappropriate way to apply a tax. Cross subsidisation I think it is called.

Outcome: This tax should be abolished, as was proposed when GST was introduced. It is an impost on small business, self funded retirees and adds to home rental costs and is not applied fairly across different States..

Below is a graph that compares land tax by State: Land capital value (000's) on the X axis and Land Tax on the Y axis.

