

## Changes to Exemptions and Concessions

In 1985-86 and 1986-87, as an interim measure, a 10% land tax rebate was offered to all of Western Australia's land tax payers, pending a major review.

In 1988-89, the Government extended the phase-in period for general revaluations for land tax purposes from three years to four years, a move designed especially to assist owners of Perth Central Business District (CBD) properties whose land was subject to revaluations in that year.

In 1991-92, the Government decided not to apply new valuations for land tax purposes, a move designed to provide relief to owners of property otherwise subject to both the first year's phase-in of a new valuation and the fourth year's phase in of the previous valuation (again, owners of Perth CBD properties were the principal beneficiaries).

In 1992-93, land tax assessments were frozen at 1991-92 levels, except where reductions were applicable (or where there had been variations to land holdings). Reductions were applicable primarily in the Perth CBD, where in some cases the new 1992-93 valuations were significantly less than the fully phased-in 1988-89 valuations on which the 1991-92 land tax assessments were based.

In 1993-94, a land tax exemption for beneficiary-occupiers of residences owned by discretionary trusts was re-introduced (reversing the removal of this exemption in 1989-90).

In 1994-95, a land tax exemption was extended to all land owned by retirement villages. Also, the 50% land tax concession available for land used solely for non-profit activities by a society, club or association was increased to a 100% exemption.

In 1995-96, the primary production exemption was extended to land used by the owner for the purpose of breeding horses. Also, a 50% concession was provided to certain primary producers who do not meet a 'one third of net income from primary production' test.

In 1996-97, a concession was introduced for land developers by applying the land tax scale to the 'en globo' (un-subdivided) value of property. The land developers' concession was removed from the 2003-04 land tax year and reintroduced in 2009-10.

The 50% concession for land owned by a religious or educational body and used for commercial or business purposes was reduced to 40% in 1998-99 and 20% in 1999-2000. The concession was completely phased out from 2000-01 onwards.

The land tax exemption for principal places of residence held by a company or trust was removed from 2002-03.

From 2004-05, land held under an approved conservation covenant is exempt from land tax.

In 2005-06 caravan parks were granted a 50% land tax concession, which was extended to a full exemption from 2010-11 onwards.

From 2006-07, the exemption period for persons constructing new residences was extended from 12 months to two years. In addition, parents, grandparents or siblings providing independent accommodation for disabled children were exempted from land tax.

From 2007-08, a land tax exemption applies to private aged care providers.

From 2009-10, a 50% cap was placed on the annual growth in unimproved land values for land tax purposes. The cap applies to each individual lot of land that is owned by a land tax payer.

## Land Tax Collections

WESTERN AUSTRALIA				
	Revenue Collections <sup>(a)</sup>	Change (Nominal)	Revenue in 2014-15 Dollars	Change (Real)
	\$m	%	\$m	%
2004-05	328.2	17.4	442.8	13.8
2005-06	332.1	1.2	429.6	-3.0
2006-07	394.2	18.7	490.7	14.2
2007-08	420.6	6.7	505.1	2.9
2008-09	568.0	35.1	662.1	31.1
2009-10	528.5	-7.0	601.0	-9.2
2010-11	521.5	-1.3	576.6	-4.0
2011-12	552.4	5.9	597.8	3.7
2012-13	568.2	2.9	601.5	0.6
2013-14	660.9	16.3	679.1	12.9
2014-15 <sup>(b)</sup>	754.9	14.2	754.9	11.2

(a) Figures from 2004-05 to 2006-07 have been backcast to be consistent with AASB 1049 accounting standards. Consequently, some figures may differ from those in previous editions of this publication.

(b) Estimate based on the 2014-15 Budget.