

## LAND TAX AMENDMENT BILL 2015

### EXPLANATORY MEMORANDUM

**Clause 1:**            **Short title**

This clause provides that the short title of this Bill is the *Land Tax Amendment Act 2015*.

**Clause 2:**            **Commencement**

This clause provides the commencement dates for this Bill.

Paragraph (a) provides that sections 1 and 2 commence on the day on which the Royal Assent is received.

Paragraph (b) provides that the rest of the Act commences on 1 July 2015.

**Clause 3:**            **Act amended**

This clause provides that this Act amends the *Land Tax Act 2002*.

**Clause 4:**            **Section 5 amended**

Section 5 of the Land Tax Act provides the rates at which land tax is imposed.

Subclause (1) amends the heading to Table 10 so that the land tax rates contained in that table apply to the 2014-15 financial year only.

Subclause (2) inserts a new Table 11 that contains land tax rates that apply for 2015-16 and subsequent financial years.

The new table introduces a flat rate of land tax of \$300 for taxpayers who hold land with a taxable value between \$300,000 and \$420,000. Currently, a taxpayer who owns taxable land with a value in this range would pay land tax at the rate of 0.11 cent for each dollar in excess of \$300,000, which equates to a maximum amount of \$132.

A land holding with a taxable value of up to \$300,000 will continue to not attract land tax.

The new table also includes changes to some thresholds at which rates change and increases all rates except the top marginal rate.