

LAND TAX BILL 2001

EXPLANATORY MEMORANDUM

This Explanatory Memorandum provides detailed notes on the operation of each clause of the Land Tax Bill 2001. This Bill will replace the existing Land Tax Act 1976. The repeal and where relevant, saving, of the Land Tax Act 1976 can be found in the Taxation Administration (Consequential Provisions) Bill 2001.

Clause 1: Short title

This clause provides that the Act is to be cited as the Land Tax Act 2001.

Clause 2: Commencement

This clause provides for the Act to operate on the day on which the Taxation Administration Act 2001 comes into operation. A combined operation date for both Acts is necessary as the Taxation Administration Bill contains the relevant administrative provisions applicable to land tax. It is intended that the commencement date of the Taxation Administration Act 2001 will be 1 July 2002.

Clause 3: Relationship with other Acts

This provision is a general interpretation provision relevant to the application of the Land Tax Act 2001.

This clause combines this Act with the Taxation Administration Act 2001 and the Land Tax Assessment Act 2001, so that they can be read as if they constituted one Act.

Clause 4: Meaning of terms

This clause provides the status of the Glossaries at the end of the Taxation Administration Act and the Land Tax Assessment Act insofar as they include terms that are used in this Act or affect the meaning of this Act. It also notes that the Glossaries may affect the operation of other provisions.

Clause 5: Imposition of land tax

This clause imposes land tax in accordance with the requirements set down by section 46(7) of the Constitution Acts Amendment Act 1899, which requires that " Bills imposing taxation shall deal only with the imposition of taxation" .

Accordingly, this clause sets out the rates of land tax that are imposed by this Act according to the unimproved value of the land.

Land tax rates

Unimproved Value of the Land		Rate of Land Tax
Exceeding \$	Not Exceeding \$	
0	50 000	NIL
50 000	100 000	\$75.00 + 0.15 cent for each \$1 in excess of \$50 000
100 000	190 000	\$150.00 + 0.25 cent for each \$1 in excess of \$100 000
190 000	325 000	\$375.00 + 0.45 cent for each \$1 in excess of \$190 000
325 000	550 000	\$982.50 + 0.80 cent for each \$1 in excess of \$325 000
550 000	850 000	\$2 782.50 + 1.20 cents for each \$1 in excess of \$550 000
850 000	1 250 000	\$6 382.50 + 1.60 cents for each \$1 in excess of \$850 000
1 250 000	2 000 000	\$12 782.50 + 2.00 cents for each \$1 in excess of \$1 250 000
2 000 000	5 000 000	\$27 782.50 + 2.30 cents for each \$1 in excess of \$2 000 000
5 000 000		\$96 782.50 + 2.50 cents for each \$1 in excess of \$5 000 000