



Speech by

Michael Crandon

MEMBER FOR COOMERA

Hansard Tuesday, 13 April 2010

LAND TAX BILL

Mr CRANDON (Coomera—LNP) (8.46 pm): I rise to add to the debate on the Land Tax Bill 2010. This bill repeals and broadly re-creates the operation of the Land Tax Act 1915 with a view to modernising the legislative language and making the law easier to understand. The bill also provides legislative enactment of the 2010 budget promise to provide deferred payment arrangements for land tax and continues the capping arrangements for the purpose of levying land tax. Among other things, it makes consequential amendments to other bills that reference the former Land Tax Act 1915.

There is one minor change and that is to allow families to have two allowable family lettings on land without incurring land tax. In Queensland the demarcation of property ownership rights is between freehold and leasehold land. Government members would have us believe that our farmers have nothing to fear from the increase in land values or leasehold land. Indeed, the member for Keppel has implied in this House, when referring to use for rural purposes by farmers using leasehold land, that revaluations have no effect on costs to the farmer. Other government members have implied the same thing. This is not correct. The fact is that valuations for these leaseholders do have an effect on costs to the farmer using leasehold land.

Land for rural purposes makes up more than 70 per cent of rural land used in Queensland and the increase in valuations affects the rates and rent paid by these rural leaseholders. Indeed, there is a thriving business in Queensland in disputing the valuations for leasehold land with a view to reducing these not insignificant costs. To say that our farmers have nothing to fear from revaluations of land for land tax purposes is simply wrong. Although the bill before us refers to exemptions applying to land uses, such as the home of the owner under certain circumstances, certain charitable institutions, aged-care facilities and land used solely for the business of agriculture, pasturage or dairy farming among other exemptions, it is not entirely accurate.

Prior to this bill land tax was generally levied and required to be paid within 60 days with a possible extension of 90 days on special request. The extended payment option allows taxpayers to choose to pay their land tax assessment in three equal instalments due at 45, 90 and 150 days—in other words, a third, a third, a third. The first third is arguably 45 days earlier, the second third is due on the due date and the third and final tranche is due 60 days later. On average, there has been a small benefit to the taxpayer of an additional 15 days on the final third.

It is noted that the extended payment option will only apply to payments made by direct debit. Payments must be received on or before the instalment dates or else the balance will become payable, once again, as a lump sum. I note that if the extended payment is not chosen assessments will be payable within 90 days of the assessment. Failure to meet an instalment means that the full tax is payable on the later of two dates: the original payment date or the failed instalment date and interest is charged from then on. An increase in the taxable value of land is capped so that the value of land in the full year 2010-11 cannot be more than 150 per cent of the value of the land in the full year 2009-10.

The LNP supports this bill on the basis that it simplifies the revenue administration of the Queensland government. The shadow Treasurer will be moving an amendment to omit proposed section 58(b) on the grounds that the section gives to trade unions an exemption to land tax. There is no fair reason trade unions specifically should receive an exemption when other arrangements for not-for-profit organisations already exist. With this comment, I commend the bill to the House.