




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

Record of Proceedings, 13 June 2017

REVENUE LEGISLATION AMENDMENT BILL

Message from Deputy Governor

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (3.20 pm): I present a message from the Deputy Governor.

Mr SPEAKER: The message from the Deputy Governor recommends the Revenue Legislation Amendment Bill. The contents of the message will be incorporated in the *Record of Proceedings*. I table the message for the information of members.

MESSAGE

REVENUE LEGISLATION AMENDMENT BILL 2017

Constitution of Queensland 2001, section 68

I, CATHERINE ENA HOLMES, Deputy Governor, recommend to the Legislative Assembly a Bill intituled—

A Bill for an Act to amend the Duties Act 2001, the First Home Owner Grant Act 2000, the Land Tax Act 2010 and the Taxation Administration Act 2001 for particular purposes.

(sgd)

DEPUTY GOVERNOR

Date: 13 June 2017

Tabled paper: Message, dated 13 June 2017, from the Deputy Governor recommending the Revenue Legislation Amendment Bill 2017 [\[959\]](#).

Introduction

Hon. CW PITT (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (3.20 pm): I present a bill for an act to amend the Duties Act 2001, the First Home Owner Grant Act 2000, the Land Tax Act 2010 and the Taxation Administration Act 2001 for particular purposes and I table the bill and explanatory notes.

Tabled paper: Revenue Legislation Amendment Bill 2017 [\[960\]](#).

Tabled paper: Revenue Legislation Amendment Bill 2017, explanatory notes [\[961\]](#).

The bill introduces revenue measures that I announced in the 2017-18 state budget to extend a temporary increase to the first home owner grant from \$15,000 to \$20,000 for a further six months and to introduce a 1.5 per cent surcharge on individuals not ordinarily residing in Australia—absentees—who are liable for land tax in Queensland, which will apply from 2017-18 onwards. The bill achieves these objectives by amending the First Home Owner Grant Act 2000 and the Land Tax Act 2010. I seek leave to have the remainder of my speech incorporated in *Hansard*.

Leave granted.

The First Home Owner Grant Act 2000 currently provides that the amount of the First Home Owners' Grant is temporarily increased from \$15,000 to \$20,000 for eligible transactions entered into between 1 July 2016 and 30 June 2017, both dates inclusive.

An eligible transaction is a contract to purchase or build a new home or the building of a new home by an owner-builder.

The Bill amends the First Home Owner Grant Act 2000 to extend the temporary increase to the amount of the grant for a further six months, so that eligible transactions entered into between 1 July 2017 and 31 December 2017, both dates inclusive, qualify for a \$20,000 grant.

Under the Land Tax Act 2010, absentees are individuals not ordinarily residing in Australia.

They currently pay land tax at the same rates that apply to companies and trustees and are therefore subject to a lower tax-free threshold of \$350,000 and higher land tax rates compared to resident individuals.

The Bill amends the Land Tax Act 2010 to impose a 1.5% surcharge on absentees who are liable for land tax.

The surcharge will apply to the portion of the taxable value of an absentee's taxable land that is equal to or greater than \$350,000.

It will be imposed from the 2017-18 year onwards and will therefore apply to absentees who are liable for land tax as at 30 June 2017.

Unlike resident owners, absentees are not necessarily subject to the range of taxes used to deliver and maintain the high quality services and infrastructure that ultimately contribute to growth in Queensland property values.

Therefore, it is important to ensure that absentees make a fair contribution.

The Bill also makes a number of amendments to the revenue legislation to ensure their continued effective operation and administration and to protect the revenue.

The Bill amends the additional foreign acquirer duty (AFAD) provisions in the Duties Act 2001.

The need for these amendments arises from revenue protection. The amendments will ensure:

- AFAD is properly payable where a foreign principal uses a non-foreign agent to acquire property under an agency arrangement;
- AFAD is payable where a person enters into a pre-incorporation contract on behalf of a foreign corporation where AFAD was not paid in full on the agreement; and
- the calculation of AFAD includes the value of certain chattels that are acquired with AFAD residential land under a dutiable transaction to prevent possible value-shifting.

The amendments will also clarify that AFAD applies to an acquisition of an existing right relating to AFAD residential land (for example, an existing option to acquire the land).

Finally, a minor wording amendment will be made to the provisions and an example inserted to clarify the intended operation.

The Land Tax Act 2010 is also amended to retrospectively restore the prohibition on lessors directly passing on the cost of land tax to lessees under commercial leases entered into after 1 January 1992 and before 30 June 2009, following a Court of Appeal decision which held that this prohibition was repealed with the repeal of the former Land Tax Act 1915.

Retrospective amendment ensures that lessors under these pre-existing leases will be unable to recoup the cost of land tax twice, given that the lease rentals would have been negotiated on the basis the prohibition existed.

Protections are provided where lessors have already recovered the cost of land tax in reliance of the Court of Appeal decision.

The Land Tax Act 2010 is also amended to clarify that joint trustees of a trust are to be assessed for land tax as if the land were owned by one person.

Historically, the Land Tax Act 1915 operated to ensure that where there was more than one trustee of a trust, a single assessment of land tax issued, irrespective of the proportion of the value of the land held by each trustee.

The amendment confirms that this long-standing practice is intended to continue under the Land Tax Act 2010. It also clarifies that the provisions relating to assessment of co-owned land do not apply.

The Taxation Administration Act 2001 will be amended to introduce new legislative powers to facilitate the collection and disclosure of information about real property transfers to the Commonwealth government.

The need for this amendment arises from Commonwealth government reforms to strengthen the integrity of the foreign investment framework.

These reforms include establishing a National Register of Foreign Ownership of Land Titles and introducing a legislative requirement for States and Territories to report real property transfer information to the Australian Taxation Office (ATO).

The information required by the ATO, which includes personal identity information, will be collected as part of transactions conducted under Queensland's existing revenue laws.

A complementary amendment to the Land Tax Act 2010 to include a new requirement for a person to lodge an approved form within one month of a change of ownership of land is being made.

This additional information will improve land tax administration and compliance.

First Reading

Hon. CW PITT (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (3.21 pm): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.