

FACT SHEET

TAXATION CONCESSIONS AND REBATES BILL 2011

- The Taxation Concessions and Rebates Bill 2011 implements the Government's 2011-12 State Budget initiatives by amending the *Duties Act 2001*, the *Employment Incentive Scheme (Payroll Tax Rebate) Act 2009*, the *Land Tax Act 2000* and the *Land Tax Rating Act 2000*.

First home buyer duty concession

- The Government has announced that, from 16 June 2011, the first home buyer duty concession is to be abolished. The duty concession will still be available to eligible first home buyers who agreed to purchase their home on or before 16 June 2011.
- It is estimated that ending this concession will save the Government approximately \$9 million in taxation expenditure annually.
- The average duty concession provided to first home buyers under this scheme in 2009-10 was \$3 861.
- First home builders will continue to be eligible for the First Home Owner Grant of \$7 000.

First home builder refund of duty on vacant land

- The Duties Act is to be amended to abolish refunds of duty paid on vacant land on which a first home builder subsequently builds their first home. The duty refund will still be available to eligible first home builders who agreed to purchase vacant land on or before 16 June 2011.
- It is estimated that ending this concession will save the Government approximately \$250 000 in taxation expenditure annually.
- The average duty refund provided to first home builders under this scheme in 2009-10 was \$2 048.
- First home builders will continue to be eligible for the First Home Owner Grant of \$7 000.

Additional employment scheme

- The Employment Incentive Scheme (Payroll Tax Rebate) Act is to be amended to establish a scheme for the payment of rebates equivalent to the payroll tax paid on new employment created between 16 June 2011 and 30 June 2012. Rebates under this new scheme will continue to be paid until 30 June 2013, provided the positions created are maintained until 30 June 2013.

Land tax – concession card holders and veterans

- The Land Tax Act is to be amended to repeal, from 1 July 2011, the exemption for general land owned 50 per cent or more by a Pensioner Concession Card holder, Repatriation Health Card holder or recipient of a special rate pension under the *Veteran's Entitlement Act 1986* of the Commonwealth.
- It is estimated that the repeal of this exemption will save the Government approximately \$1.6 million in taxation expenditure annually.

Land tax – holiday homes

- The Land Tax Act and the Land Tax Rating Act are to be amended to abolish the shack land classification.
- It is estimated that the repeal of this concession will save the Government approximately \$3.2 million in taxation expenditure annually.