

DRAFT SECOND READING SPEECH

HON. NICHOLAS STREET MP

Taxation Legislation (Affordable Housing and Employment Support) Bill 2024

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Madam Speaker,

Today, the Government is delivering on its promises to act on the cost of living and provide more housing options for Tasmanians. The Government is also extending its support for Tasmanian businesses and youth employees, apprentices, and trainees.

Following the State Election, this Government committed to introduce a suite of taxation initiatives within its first 100 days of office. This Bill introduces:

- a stamp duty exemption for first home buyers of established homes valued at up to \$750 000;
- a two-year extension of the land tax exemption for all newly built housing that is made available for long-term rental;
- a two-year extension of the land tax exemption for short-term visitor accommodation converted to long-term rental; and
- raising the tax-free threshold for land tax by \$25 000 to \$124 999.

Furthermore, this Government is also extending two existing measures. The 50 per cent duty concession to eligible pensioners that sell their existing home and downsize to a new home or unit at a lower cost, for one-year to 30 June 2025 and the payroll tax rebate for apprentices, trainees and youth employees, for one-year to 30 June 2025.

Madam Speaker,

This Bill delivers on the Government's taxation initiatives within its 100 Day Plan as promised.

Madam Speaker,

The Government recognises the ongoing challenges in our housing market, particularly for those young Tasmanians trying to achieve the dream of home ownership.

This is why this Bill will abolish stamp duty for eligible first home buyers of existing properties by introducing the First Home Buyer Duty Exemption, which is essentially a doubling of the 50 per cent First Home Buyer Duty Concession to 100 per cent. The Exemption will be available for eligible properties with a dutiable value of up to \$750 000.

The Government's action will save eligible first home buyers of existing properties up to \$28 935, which may be the difference to being able to buy a home or not.

The new duty exemption will apply from 18 February 2024 until 30 June 2026 and will then be reviewed subject to prevailing market and economic conditions.

Madam Speaker,

The Government is also continuing its effort to support Tasmania's rental market. This Bill will extend both the land tax exemption for all newly built housing that is made available for long-term rental, and the land tax exemption for short-term visitor accommodation converted to long-term rental, for two-years to 30 June 2026.

In recent years, the Government has made changes to land tax rates and thresholds in response to strong growth in the Tasmanian property market and recognises that while people's property

values have increased significantly, their capacity to pay land tax has not necessarily increased commensurately.

The Government is now taking further action to relieve land tax pressures by increasing the tax-free threshold for land tax by \$25 000 from \$99 999 to \$124 999.

Based on 2023-24 data, this change will save around 60 000 Tasmanian property owners up to \$112.50 on their land tax bill. It will also mean an additional 4 400 landowners will now pay no land tax in the year ahead.

Madam Speaker,

The Government understands that it is not just first home buyers who are being affected by cost-of-living pressures and experiencing difficulties in the housing market. That is why we will continue to provide support to pensioners by extending the pensioner downsizing duty concession for a further year to 30 June 2025.

Finally, Madam Speaker,

The Government recognises that Tasmanian businesses are a crucial part of our community and economy. The Government will continue to support local businesses that invest in apprentices, trainees and youth employees, by extending the successful payroll tax rebate for apprentices, trainees and youth employees for a further year to 30 June 2025.

The Government recognises the investment that business make in the next generation of Tasmanians. The continuation of this scheme reiterates the Government's commitment to not only support Tasmanian businesses, but also support the employment of young Tasmanians.

Madam Speaker,

This Bill gives effect to the Government's tax initiatives contained within the 100 Day Plan and extends its initiatives to encourage pensioners to downsize and for businesses to employ young Tasmanians.

Madam Speaker,

I commend this Bill to the House.