

FACT SHEET

Treasury Miscellaneous (Cost of Living and Affordable Housing Support) Bill

In the 2021 State of the State Address, the Government committed to introduce several tax initiatives to address concerns regarding increasing land tax liabilities and to address housing affordability. In the lead up to the 2021 Tasmanian State Election, the Government also committed to increase the First Home Owner Grant, introduce quarterly vehicle registration payments and provide a two year waiver of duty on the purchase of new and second hand electric vehicles.

The Treasury Miscellaneous (Cost of Living and Affordable Housing Support) Bill 2021 amends the necessary legislation to give effect to the Government's commitments.

Specifically, this bill will:

amend the *Duties Act 2001* to:

increase the dutiable value of property threshold from \$400 000 to \$500 000 for the purposes of an eligible transaction for the First Home Buyer Duty Concession and Pensioner Duty Concession;

cap the Motor Accidents Insurance Board premium duty (MAIB Duty) at \$20.00 per annum and allow the duty to be calculated to align with the vehicle's registration renewal period while still enabling the existing calculation to continue to apply in limited circumstances; and
provide a two year waiver of duty on the purchase of new and second hand electric and hydrogen fuel cell vehicles;

amend the *First Home Owner Grant Act 2000* to increase the grant from \$20 000 to \$30 000 until 30 June 2022;

amend the *Land Tax Act 2000* to allow the Commissioner of State Revenue to accept payment of land tax in three instalments where the amount of land tax payable in any financial year exceeds \$500 (currently \$1 000);

amend the *Land Tax Rating Act 2000* to increase the tax free threshold for land tax from \$24 999 to \$49 999, with the middle tax band threshold now starting from \$50 000 and increase the top tax band threshold from \$350 000 to \$400 000; and

amend the *Taxation Administration Act 1997* to allow for the reduction in the premium rate of interest charged on unpaid tax from eight per cent to four per cent.

These measures are to commence on 1 July 2021, with the exception of:

the amendments to the First Home Buyer Duty concession and the Pensioner Duty Concession, which are to apply retrospectively from the date of announcement in the State of the State Address (16 March 2021);

the amendments to the First Home Owner Grant, which are to apply retrospectively from 1 April 2021; and

the MAIB Duty amendments, which will apply from a date to be proclaimed. This will allow the Department of State Growth time to undertake a review of the motor vehicle registration administration fees and charges in light of the quarterly registration payment option. Changes to the MAIB Duty will commence alongside changes to those fees and charges, with the timing subject to updates to systems and processes.