

DRAFT SECOND READING SPEECH
HON MICHAEL FERGUSON MP
LAND TAX AMENDMENT BILL 2020

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Madam Speaker

In response to the global Covid-19 pandemic, the Tasmanian Government has been receiving daily advice from health professionals to guide the policies that we needed in place to save lives. Tasmanians have supported the calls to self-isolate, exercise social distancing and practice good hygiene. As a result we recently achieved the important milestone of zero active cases of coronavirus in our State.

The necessary actions taken to achieve this milestone have come at a significant cost to our economy, to jobs and to livelihoods.

The Tasmanian Government's social and economic support packages are unprecedented in the history of our State. The two packages total approximately \$1 billion and are of a scale not seen before in this State.

On 26 March 2020, the Premier announced the Second Tasmanian Social and Economic Support Package which included support measures across Health, Business, Households and Individuals and the Community.

One of the many support measures aimed at business in that package was the waiving of land tax for 2020-21 for businesses shut down or severely impacted as a result of the pandemic.

Madam Speaker,

The Land Tax Amendment Bill 2020 amends the *Land Tax Act 2000* to introduce that support measure by providing a land tax exemption in the 2020-21 financial year for commercial land owners that have suffered significant financial impact due to COVID-19.

Land owners will be eligible for the land tax exemption where the Commissioner of State Revenue is satisfied that the land is commercial land. This may be determined by a commercial land Valuation Property Classification Code, as issued by the Valuer-General under the *Valuation of Land Act 2001*, or other grounds considered reasonable by the Commissioner in the circumstances.

To ensure the land tax exemption is appropriately targeted, commercial land owners will also need to demonstrate that they have been adversely financially impacted by COVID-19 in a manner which is unexpected and significant.

In this regard, land owners will need to demonstrate that they have experienced a reduction in the amount of income generated, as a result of COVID-19, including a loss of rent or licence fees; or that the land is vacant and available for rent, as a result of COVID-19, despite the owner taking reasonable actions to advertise that the land is available. Alternatively, where the land owner operates a business on the land, the land owner will need to demonstrate that the business has been affected by COVID-19. The Commissioner will produce guidelines which will assist land owners in applying for the waiver and to ensure that applications are assessed in a fair and equitable manner. To be clear, the Commissioner is not to waive land tax for commercial property owners who have not experienced a significant adverse financial impact due to Covid-19.

This Bill provides the Commissioner with broad discretion to administer the exemption. This applies in determining whether the land owner has been adversely financially impacted and whether the land is, or is not, commercial land.

Madam Speaker,

The measure provided for in this Bill will play an important role in mitigating the economic impact of COVID-19 on commercial land owners in Tasmania.

These are unprecedented times and it is vital that this Parliament does what it can to provide assistance to our businesses and keep Tasmanians in jobs.

Madam Speaker,

I commend this Bill to the House.