



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2022-2023

Mr James Milligan MLA (Chair), Mr Andrew Braddock MLA (Deputy Chair),
Dr Marisa Paterson MLA

ANSWER TO QUESTION ON NOTICE

Jo Clay MLA: To ask the Treasurer

Ref: Budget Outlook pg 225

In relation to: Land Taxation

1. Could the land tax system be opt-out, rather than self-assessed, to ensure higher levels of compliance?
2. Why is land tax assessed quarterly rather than yearly?
3. How much revenue was raised from the penalties that are applied for taxpayers who did not pay land tax when eligible in 2021-22, 2020-21 and 2019-20?
4. How many land/unit owners were found to owe land tax but were avoiding their liabilities in 2021-22, 2020-21, and 2019-20?

In 2021-22, what was the total mean and median nominal land tax payable for all dwellings with AUVs within the following thresholds:

- a) \$300k-600k
- b) \$600k-1m
- c) \$1m-1.8m
- d) \$1.8-2.5m
- e) \$2.5m+

In 2021-22, how many dwellings that paid land tax in the ACT had an AUV of:

- f) \$300k-600k
- g) \$600k-1m
- h) \$1m-1.8m
- i) \$1.8-2.5m
- j) \$2.5m+


Andrew Barr MLA: The answer to the Member's question is as follows: –

1. As the majority of ACT properties are not liable for land tax, an opt-out system for land tax would create a large administrative burden for the ACT Revenue Office and for property owners without a tax liability.
2. Assessing land tax annually or more frequently is a trade-off between minimising the costs of administration and accurately reflecting the tax status of the property. Assessing land tax quarterly is a reasonable balance between these two objectives.
3. For questions 3 and 4, the number of land tax compliance assessments and the value of tax assessed are shown in the table below.

Compliance for Land tax	Number of Assessment	Primary Tax	Penalties and Interest	Total Compliance Revenue
2019-20	546	\$2,278,405.95	\$977,318.70	\$3,255,721.65
2020-21	130	\$994,138.33	\$370,394.83	\$1,364,533.16
2021-22	771	\$2,495,832.15	\$408,314.69	\$2,904,146.84

4. a) to j). These questions are unable to be answered in the required timeframe.

Approved for circulation to the Select Committee on Estimates 2022-2023

Signature: 

Date: 14.9.22

By the Treasurer, Andrew Barr MLA