

LEGISLATIVE ASSEMBLY
STATE TAXATION ACTS AND OTHER ACTS AMENDMENT BILL 2023

(Amendments of the Legislative Council — How proposed to be dealt with)

Mr Tim Pallas: To move:

That the amendments be agreed to and the following amendments be made to the Bill:

1. Insert the following New Clauses to follow Clause 27—

27A What is the rate of land tax?

For section 35(3) of the **Land Tax Act 2005 substitute—**

"(3) Subject to section 88EB, the rate of vacant residential land tax is—

- (a) if the land was not liable for vacant residential land tax in the preceding tax year—1%; or
- (b) if the land was liable for vacant residential land tax in the preceding tax year but not the tax year preceding that tax year—2%; or
- (c) if the land was liable for vacant residential land tax in the last 2 preceding tax years—3%.

Note

For the purposes of the vacant residential land tax, the taxable value of the land is the capital improved value of the land as at the relevant date—see section 19(1A)."

27B Holiday home exemption

For section 88A(1)(a) of the **Land Tax Act 2005 substitute—**

- "(a) in the year preceding the tax year—
- (i) the owner of the land or a vested beneficiary of a trust to which the land is subject used and occupied other land in Australia as a principal place of residence; and
 - (ii) the owner of the land or a vested beneficiary of a trust to which the land is subject, or a relative of the owner or vested beneficiary, used and occupied the land as a holiday home for a period of at least 4 weeks (whether continuous or aggregate); and".'

2. Insert the following New Clause to follow Clause 28—

28A New sections 88EA to 88EC inserted

After section 88E of the **Land Tax Act 2005** insert—

"88EA Land becomes residential land during third year preceding tax year and has not been used or occupied or changed ownership

- (1) Land is exempt from vacant residential land tax for a tax year if—
 - (a) at the commencement of the third year preceding the tax year the land was not residential land within the meaning of section 34B(1); and
 - (b) during the third year preceding the tax year the land becomes residential land within the meaning of section 34B(1); and
 - (c) during the second year preceding the tax year the land is exempt from vacant residential land tax under section 88D; and
 - (d) during the year immediately preceding the tax year the land is exempt from vacant residential land tax under section 88E; and
 - (e) for the period from which the land becomes residential land within the meaning of section 34B(1) up to the tax year—
 - (i) the land has not been used or occupied; and
 - (ii) the land has not changed ownership; and
 - (f) the Commissioner is satisfied that during the period referred to in paragraph (e) the owner of the land made genuine attempts to sell the land at or below the price that they expected to receive when construction commenced on the land.
- (2) To obtain an exemption from vacant residential land tax under this section, the owner of the land must—
 - (a) apply to the Commissioner for the exemption on or before 15 January of the tax year; and
 - (b) give the Commissioner any information the Commissioner requests for the purpose of enabling the Commissioner to determine whether the land is exempt from vacant residential land tax under this section.

88EB Residential land that has not been used or occupied or changed ownership for more than 3 years

- (1) Land is eligible for a concessional rate of vacant residential land tax of 1% for a tax year if—

- (a) in a preceding tax year, the land becomes residential land within the meaning of section 34B(1); and
- (b) in a tax year after the tax year referred to in paragraph (a) but preceding the tax year, the land is exempt from land tax under section 88EA; and
- (c) for the period from which the land becomes residential land within the meaning of section 34B(1) up to the tax year—
 - (i) the land has not been used or occupied; and
 - (ii) the land has not changed ownership.

88EC Publication of report on exemptions and concession

- (1) The Commissioner must publish on the Commissioner's website an annual report of the following information for the 12 month period to which the report relates—
 - (a) for each postcode in Victoria, the number of—
 - (i) exemptions granted under each of sections 88D, 88E and 88EA; and
 - (ii) concessions granted under section 88EB;
 - (b) the total amount of vacant residential land tax that was not payable because of the grant of the exemptions and the concessions referred to in paragraph (a).".'
- 3. Clause 30, line 15, omit "the commencement day, the land is" and insert "31 December 2023 the land was".
- 4. Clause 30, line 27, omit "the commencement day, the land is" and insert "31 December 2023 the land was".
- 5. Clause 30, line 33, omit "**2023**;" and insert '**2023**.'.'
- 6. Clause 30, page 24, lines 1 to 3, omit all words and expressions on those lines.
- 7. Insert the following New Clause to follow Clause 34—

'34A What is the rate of land tax?

For section 35(3)(a), (b) and (c) of the **Land Tax Act 2005** substitute—

- "(a) for residential land within the meaning of section 34B(2B)—
 - 1%; or
- (b) for any other land—
 - (i) if the land was not liable for vacant residential land tax in the preceding tax year—1%; or

- (ii) if the land was liable for vacant residential land tax in the preceding tax year but not the tax year preceding that tax year—2%; or
- (iii) if the land was liable for vacant residential land tax in the last 2 preceding tax years—3%."