

### Land Tax – Increase in Rates

A 10% increase in land tax rates from 2014-15 will offset lower than expected land values and generate net additional revenue of \$26 million in 2014-15 compared to forecasts in the 2013-14 Mid-year Review. The following table shows the new tax scale relative to last year's scale.

Table 5

**LAND TAX SCALES IN THE 2014-15 BUDGET**

Threshold \$	2013-14 Scale		2014-15 Scale	
	Tax at Threshold \$	Marginal Rate on Excess %	Tax at Threshold \$	Marginal Rate on Excess %
300,000	0	0.1	0	0.11
1,000,000	700	0.53	770	0.58
2,200,000	7,060	1.37	7,730	1.51
5,500,000	52,270	1.64	57,560	1.8
11,000,000	142,470	2.43	156,560	2.67

In total, this measure is estimated to raise \$72 million in 2014-15 and a total of \$334 million over the budget period.

Despite the increase in rates, Western Australia's land tax will remain significantly below that of other jurisdictions for unimproved land valued up to \$10 million, as shown in the table below.

For example, for a landholding with an unimproved value of \$1 million, land tax payable in Western Australia will increase from \$700 to \$770, substantially below the amount payable in New South Wales (\$9,508), Victoria (\$2,975), Queensland (\$4,500) and all other jurisdictions that levy land tax.

Table 6

**LAND TAX PAYABLE**

Land Value \$	WA Current \$	WA New \$	NSW \$	VIC \$	QLD \$	SA \$	TAS \$	ACT \$
100,000	-	-	-	-	-	-	463	625
200,000	-	-	-	-	-	-	1,013	1,420
300,000	-	-	-	375	-	-	1,563	2,538
400,000	100	110	-	575	-	420	2,588	4,338
500,000	200	220	1,508	775	-	920	4,088	6,138
1,000,000	700	770	9,508	2,975	4,500	9,447	11,588	15,138
3,000,000	18,020	19,810	43,432	24,975	37,500	82,771	41,588	51,138
5,000,000	45,420	50,010	83,432	69,975	62,500	156,771	71,588	87,138
10,000,000	126,070	138,560	183,432	182,475	150,000	341,771	146,588	177,138
15,000,000	239,670	263,360	283,432	294,975	237,500	526,771	221,588	267,138