

Taxes on Property

Amendments to Land Tax Scale

From 2015-16, the land tax scale will be revised to:

- apply a flat dollar amount of \$300 to taxable land with an unimproved value above the exemption threshold of \$300,000 and up to \$420,000;
- increase land tax rates (except the top rate, which will remain unchanged at 2.67%); and
- adjust some of the property value thresholds.

Table 3 shows the new scale relative to the current scale.

Table 3

LAND TAX SCALES IN THE 2015-16 BUDGET

Current Scale			2015-16 Scale			
Threshold	Tax at Threshold	Marginal Rate on Excess	Threshold	Tax at Threshold	Marginal Rate on Excess	
\$	\$	%	\$	\$	%	
300,000	0	0.11	300,001	300	0	
1,000,000	770	0.58	420,000	300	0.25	
2,200,000	7,730	1.51	1,000,000	1,750	0.9	
5,500,000	57,560	1.8	1,800,000	8,950	1.8	
11,000,000	156,560	2.67	5,000,000	66,550	2	
			11,000,000	166,550	2.67	

This measure is estimated to raise additional revenue of \$184 million in 2015-16 and a total of \$826 million (or 24.4%) over the four years to 2018-19.

Despite the changes, Western Australia's land tax will remain competitive with other jurisdictions, particularly for lower valued properties such as residential investment properties. For example, for a landholding with an unimproved value of \$1 million, land tax payable in Western Australia will be \$1,750 (up from \$770 currently), which is still substantially below the amount payable in all other jurisdictions, including New South Wales (\$9,188), Victoria (\$2,975), and Queensland (\$4,500).

Table 4

INTERSTATE COMPARISON OF LAND TAX PAYABLE^(a)

Unimproved Land Value	WA Current	WA New	NSW	VIC	QLD	SA	TAS	ACT
\$	\$	\$	\$	\$	\$	\$	\$	\$
100,000	-	-	-	-	-	-	463	1,328
200,000	-	-	-	-	-	-	1,013	1,873
300,001	-	300	-	375	-	-	1,563	2,638
400,000	110	300	-	575	-	420	2,588	3,867
500,000	220	500	1,188	775	-	920	4,088	5,097
1,000,000	770	1,750	9,188	2,975	4,500	9,447	11,588	11,247
3,000,000	19,810	30,550	42,624	24,975	37,500	82,771	41,588	35,847
5,000,000	50,010	66,550	82,624	69,975	62,500	156,771	71,588	60,447
10,000,000	138,560	166,550	182,624	182,475	150,000	341,771	146,588	121,947
15,000,000	263,360	293,350	282,624	294,975	237,500	526,771	221,588	183,447

(a) The Northern Territory does not levy land tax.