

7 November 2022

Hon Cameron Dick MP  
Treasurer and Minister for Trade and Investment  
Parliament House  
1 William Street  
BRISBANE QLD 4000

By email: [treasurer@ministerial.qld.gov.au](mailto:treasurer@ministerial.qld.gov.au)

CC Hon Anastacia Palaszczuk MP, Premier of Queensland  
Hon Charis Mullen MP, Assistant Minister for Treasury

Dear Treasurer,

### **Revenue Legislation Amendment Act 2022 | Queensland Land Tax Changes**

Based on feedback from our members, and in consultation with our Queensland State Taxes Committee, The Tax Institute writes to you in relation to the Government's intention to remove the upcoming changes to Queensland's land tax regime concerning interstate landholders. Broadly, these changes will determine a taxpayer's liability to land tax in Queensland based on the total value of their land holdings across Australia.

We urge Government to provide a definitive view regarding their intention to annul the proposed changes. If the proposed measure is not intended to take effect, we recommend that the Government undertake the following steps as a matter of urgency:

- repeal the enacting legislation before the commencement date of 1 January 2023; and
- ensure that the Queensland Revenue Office (**QRO**) is sufficiently resourced and supported to make any necessary changes to IT systems and administrative practices to give effect to the legislative repeal.

If Government intends to annul the measure and these steps are not undertaken, there is a significant risk that impacted taxpayers will nonetheless become liable to land tax under the requirements of the measure. We do not consider this to be an equitable or appropriate outcome.



## Background

The measure was originally announced in the [Mid-Year Fiscal and economic Review 2011–22](#) and subsequently legislated in Part 6 of the *Revenue Legislation Amendment Act 2022* (the **Act**). The Act received Royal Assent on 30 June 2022<sup>1</sup> and the relevant amendments are scheduled to commence from 1 January 2023.<sup>2</sup>

From late September 2022, several media sources have noted Government's public statements that they no longer intend to give effect to the measure.<sup>3</sup> However, The Tax Institute notes that the Government has not yet released a formal announcement on its position or taken steps to ensure that taxpayers will not be subject to land tax based on the total value of their land holdings across Australia.

We understand that the QRO has undertaken IT system changes to give effect to the upcoming legislation from 1 January 2023. These changes may involve steps that are automated and not reversible without further changes to the IT systems.

## Need for certainty

The Tax Institute recommends that the Government explicitly provide taxpayers and tax practitioners with certainty regarding their potential liability to land tax under the Act. This can be achieved by:

- giving effect to the Government's intention to annul the measure by repealing the relevant provisions in the Act; and
- supporting and funding the QRO to make any relevant changes to the IT systems to ensure that taxpayers are not subject to any automated land tax liability.

If the necessary steps are not undertaken by 1 January 2023, impacted taxpayers are likely to be assessed based on the requirements set out in the Act. Taxpayers may also be impacted by other requirements in the Act, such as record keeping obligations and penalties for non-compliance. The Tax Institute is of the view that it is an inequitable and inappropriate outcome for taxpayers to be subject to land tax, incur associated compliance costs, and potentially be liable to penalties, under a measure that the Government no longer intends to enact.

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<sup>1</sup> Refer to <https://www.legislation.qld.gov.au/view/html/asmade/act-2022-014/lh>.

<sup>2</sup> Section 2 of the Act.

<sup>3</sup> See <https://www.afr.com/politics/palaszczuk-scraps-controversial-qld-land-tax-change-20220930-p5bm82>; <https://www.domain.com.au/news/scrapping-of-controversial-queensland-land-tax-a-win-for-mum-and-dad-investors-1172661/>; <https://www.mondaq.com/australia/property-taxes/1242334/queensland-land-tax-reform-shelved>; <https://www.accountantsdaily.com.au/tax-compliance/17631-accounting-bodies-welcome-palaszczuk-backflip-on-land-tax>; and <https://www.brisbanetimes.com.au/politics/queensland/queensland-shunts-land-tax-change-but-treasurer-stands-by-everything-he-s-said-20220930-p5bm7s.html>.

The Tax Institute is the leading forum for the tax community in Australia. We are committed to shaping the future of the tax profession and the continuous improvement of the tax system for the benefit of all. In this regard, The Tax Institute seeks to influence tax and revenue policy at the highest level with a view to achieving a better Australian tax system for all. Please refer to **Appendix A** for more information about The Tax Institute.

If you would like to discuss any of the above, please contact our Tax Counsel, Julie Abdalla, on (02) 8223 0058.

Yours faithfully,



**Jerome Tse**

President

## APPENDIX A

### About The Tax Institute

The Tax Institute is the leading forum for the tax community in Australia. We are committed to representing our members, shaping the future of the tax profession and continuous improvement of the tax system for the benefit of all, through the advancement of knowledge, member support and advocacy.

Our membership of more than 11,000 includes tax professionals from commerce and industry, academia, government and public practice throughout Australia. Our tax community reach extends to over 40,000 Australian business leaders, tax professionals, government employees and students through the provision of specialist, practical and accurate knowledge and learning.

We are committed to propelling members onto the global stage, with over 7,000 of our members holding the Chartered Tax Adviser designation which represents the internationally recognised mark of expertise.

The Tax Institute was established in 1943 with the aim of improving the position of tax agents, tax law and administration. More than seven decades later, our values, friendships and members' unselfish desire to learn from each other are central to our success.

Australia's tax system has evolved, and The Tax Institute has become increasingly respected, dynamic and responsive, having contributed to shaping the changes that benefit our members and taxpayers today. We are known for our committed volunteers and the altruistic sharing of knowledge. Members are actively involved, ensuring that the technical products and services on offer meet the varied needs of Australia's tax professionals.