



PROPERTY TAX POLICY



WHAT WE BELIEVE

SFF fundamentally believe in a low tax environment and limiting the general level of taxation and government intervention in markets in general.

The proposals put forward by the NSW government are transparently designed to increase taxes on property owners over time and, for the first time, impose an ongoing tax on the family home and farm.

They will progress away from a one-off stamp duty levied tax basis, paid at the time of purchase and paid off in parallel with the loan that financed the home purchase and move to an annual “occupancy/wealth tax”.

Make no mistake, this tax is designed to grow and put a further impost on the family income right at the time it needs all its resources to bring up children or support a farming business through tough times, especially in times of flat income growth, COVID job uncertainty and high and increasing property values.

The tax will be levied on all property, including primary producer property and levy the tax on family primary producer property intergenerational transfers, i.e. tax the family farm. The current exemption on these transfers will be wiped. SFF does not support this attack on the family farm. We believe that just as the family is the basic building block upon which a safe and stable society is built, the same applies to the family farming unit.

The family farm is already challenged by global competition, drought, bushfires, flood and now COVID lockdowns; it does not need an additional substantial new impost on its scarce income and resources. It



WHAT WE BELIEVE - Continued

is the basic building block of our agricultural economy which in turn is the basis upon which all urban society relies for existence.

The personal ownership of a home or family farm is fundamental to healthy families and a healthy and stable community and society.

Further, as currently proposed, any unpaid property tax would be treated as a debt on the family property (home or farm) and will certainly result in the government forcing the sale of the said encumbered property to pay for unpaid property tax. This will, in effect, create a defacto death duty upon the estate of the deceased. SFF does not support this.

SFF does not support this property tax unconditionally.



OUR ACTION PLAN

- A new Property Tax, if levied, the payment terms should be at the election of the taxpayer, either as a once-off property tax payment as currently applied with a stamp duty or as a charge, applied annually to the ultimate limit of the amount that would have been paid had it been paid at purchase as stamp duty. Any property must be able to move from annual tax payments to an upfront basis at the election of the purchaser.
- Should an election to repay the property tax over the life of the loan be made on the acquisition of a property, the property should not be permanently affected from there on in future sale transactions.
- The current exemption for transfers of intergenerational family farms is to remain.
- Any increase in tax revenue resulting from these property tax increases must be matched with other offsetting tax and or levy reductions.
- All unpaid property tax remaining upon a deceased estate is to be forgiven in its entirety, regardless of how it was incurred.
- The rates of applicable property tax are to be fixed in Legislation not ring-fenced in annual budget finance papers, thus allowing review by the Parliament.