



Compounding Stamp Duty

Policy Background

- Creating a house and land package from raw land (known as a "Greenfields development") involves a number of transactions, including the transfer of land, on at least two or three occasions.
- Apart from stamp duty, a raft of other taxes and charges are required to be paid along the way. These include land tax, GST, various levies and charges that developers are required to pay as financial contributions to council and State government for the provision of infrastructure, such as water, public hospitals, schools, libraries, footbridges and playing fields.

Policy Issues

- By the time the final product is sold to the home owner, not only has a significant sum of money been paid to various levels of government in the form of taxes, levies and charges, but these amounts are taken into account when the amount of stamp duty that is payable by the home owner is calculated.
- The way in which the current laws are framed, unlike Goods and Services Tax (where all taxes, fees, levies and charges as declared in the Treasurer's Determination are GST-free), for each of these transactions, stamp duty is assessed on an amount that includes all of those taxes and charges that have been previously paid and then passed on to the next person in the chain.

HIA's Policy Position on Compounding Stamp Duty

- Transactions involving land development and builders stock should be free of stamp duty.