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REIQ calls for repeal of illogical land tax regime

Queensland commercial and residential property investors are in for a rude awakening, as the State Government's illogical new land tax regime comes into force, according to the Real Estate Institute of Queensland (REIQ).

REIQ CEO Antonia Mercorella said the Treasurer slipped the Bill through parliament with haste and scant detail, and without proper legal and taxation advice from suitability qualified stakeholders.

"This new land tax regime is as unique as it is illogical," Ms Mercorella said.

"There's no other State or Territory that charges state land tax based on the value of properties held across Australia and outside the jurisdiction where the tax is collected. It's unprecedented and unheard of for a reason.

"It is irreconcilable that the Treasury expects to legitimately raise tax on the basis of value of property held outside of Queensland, for the purpose of funding infrastructure within Queensland."

Ms Mercorella said the new land tax regime was a rare beast in that it's a tax that manages to hurt Queensland landholders, renters, companies, and small businesses in one fell swoop.

"I would have thought that the Queensland economy would benefit from attracting businesses to operate in our state, bringing skills, innovation, and jobs for our growing population," she said.

"This will likely send commercial rents through the roof, and given this tax is only triggered by Queensland property holdings, it sends the message to businesses to shut down shop and set up elsewhere to get the monkey off their back.

"Equally, given we are living in the tightest rental market in the history of our state, and 36% of our population rent their homes with the vast majority of housing supplied by private investors, one would assume that it's not the time to risk rocking the boat of private residential rental stock.

"But instead of a carrot, the government has yet again used the stick, in yet another desperate money grab from the property sector.

"By the governments own example this land tax change will see a 332% increase in land tax.

"This is likely to have a detrimental impact on the appeal of investing in Queensland, particularly when you consider the cumulative effect of all the legislative reform investors are being hit with."

Ms Mercorella said the REIQ [responded quickly when the Bill was first announced](#) and delivered a comprehensive submission during what appeared to be a token consultation period which gave stakeholders a mere 10 days to respond.

Ms Mercorella concluded that the REIQ would continue to advocate against these impractical land tax changes and encouraged affected property owners to make their views known to their local MP.

"There's plenty of reasons to invest in the Sunshine State, but with this land tax regime the Treasury has not only knocked the confidence out of Queensland property, it's delivered a king hit," she said.

“For these reasons, the REIQ will continue to advocate against these land tax changes and is calling on the Treasurer to repeal this bombshell legislative reform before it comes into effect in 2023.

“The REIQ is willing to work with the Queensland government on more innovative solutions to remove the burden and inefficiencies of the current taxation system.”