



Australian Government

Commonwealth Grants Commission

DISCUSSION PAPER CGC 2004/01

**ALTERNATIVE APPROACHES TO LAND
REVENUE ASSESSMENT**

JULY 2004

ALTERNATIVE APPROACHES TO LAND REVENUE ASSESSMENT

1. This paper aims to facilitate discussions at the upcoming workshop on the outstanding data issues concerning the assessment of land revenue for the 2005 Update.

2. In the 1999 Review, the revenue base for the Land Revenue assessment was the estimated site value of commercial and industrial (C&I) land as at 1 July of each year.

3. In the 2004 Review, the Commission decided to assess Land Revenue in two components: a C&I land component and a non-principal residential (NPR) land component.

4. In assessing the revenue base for the C&I land component, the Commission decided to continue with the 1999 Review method of using actual C&I land values adjusted by differences in land value distribution.

5. For the NPR land component, the Commission's intention during the 2004 Review was to similarly use actual NPR land value data in the assessment. Because of problems of data comparability over time and across States, the Commission instead used total residential land values compiled by Valuers-General (hereafter V-G data) after adjusting for differences in the proportion of renters of privately owned properties, but without any value distribution adjustment.

6. The Commission, however, decided to continue discussion with the States on NPR land valuation data problems, with the aim of resolving these for the 2005 Update. This is our main objective in this paper, and the main issues for discussions are:

- (i) whether, for the NPR land component, comparable NPR land value data that better reflect the States' revenue bases are available, and could be used; and
- (ii) whether, for the C&I land component, the two-yearly consultancy for the valuation of land continues to be the most effective way of assembling comparable data.

7. In considering options in this paper, we have implicitly assumed that the terms of reference for the 2005 Update would allow, if necessary, a change in method.

8. Below, we first summarise State land tax policies. Next, we review the data sources and problems with NPR land value data. We then outline and assess alternative approaches to estimating NPR land value data for the assessment. Following this, we briefly discuss the C&I land value data. The final section outlines our preliminary conclusions and discussion points on how we may approach the Land Revenue assessment in the 2005 Update.

STATE LAND TAX POLICIES

9. All States, apart from the Northern Territory, impose land tax on total holdings of commercial, industrial and residential land, with exemptions for land used for principal residence and primary production¹.
10. All States, apart from the ACT, also allow a tax-free value threshold for land holdings. The thresholds vary across States, and are adjusted from time to time².
11. Tax rates across value ranges are progressive, albeit fairly slightly, in most States.
12. A summary of State land tax policies is in Attachment A³.

NON-PRINCIPAL RESIDENTIAL LAND

13. ***Data sources and problems.*** The assessment base for the category is the site value of land holdings. As such, data sources for the Land Revenue assessment for both C&I or NPR land value data are effectively limited to either State revenue office (SRO) or Valuer-General (V-G) data. Most other data sources (including the ABS) focus on *property* rather than *site* value of the land component in the property value⁴. There is significant year to year volatility in the relationship between property and site values and for this reason, we restrict our attention in this paper to V-G and SRO data.

14. There are concerns over the comparability across States of both V-G total residential land values data (used in the 2004 Review) and SRO non-principal residential land values data. While the comparability of V-G data on total residential land appears to be adequate for practical purposes⁵, total residential land value data are not ideal bases for measurement of non-principal residential land as they treat each property as a separate record (for land tax purposes all properties owned by a taxpayer are aggregated) and not all residential land is taxable.

15. On the other hand, the SRO data for NPR land represent a better measure in concept, but there are substantial concerns about the comparability of the data that States provided to the Commission as part of the 2004 Review. This was the reason the Commission used V-G data for total residential land values as a proxy base for assessing the NPR land in the 2004 Review.

¹ New South Wales, however, imposes land tax on principal residences valued above \$1 680 000.

² New South Wales, for example, indexes its threshold annually to the estimated increase in State-wide land values for commercial, industrial, and residential properties.

³ Please refer to the Commission's Supporting Information Volume for the 2004 Review.

⁴ There have also been significant concerns expressed recently at the comparability and reliability of residential property data from non-official sources.

⁵ There are variations in the definition of unimproved value of land across some States. The consultant also adjusts the data to try to remove these differences. As noted, this is also a problem in SRO data.

16. These concerns arise for the following reasons.

- (i) **Thresholds.** Properties that do not attract land tax are not in the SRO databases available to us. Hence the reported land values are incomplete for assessment purposes and not comparable because threshold values vary from State to State.
- (ii) **Aggregation and joint ownership.** The SRO databases for some States record the number of taxpayers and the aggregate value of land held by each taxpayer⁶ plus the value of any proportion of land held in joint ownership. Others record the number of parcels of land and the value of each. This causes problems of non-uniform exclusions and inclusions across the States on either side of the thresholds, and results in lack of interstate comparability of data grouped by value ranges.
- (iii) **Strata title.** In some States, land is valued as the parent title for valuation purposes, and the value is apportioned to individual strata titles on the basis of individual unit entitlements within the body corporate. In other States, land is valued at the individual strata title level. As a result, the distribution of land grouped by value ranges would become different, even when other influences are the same, thus reducing interstate comparability of SRO data.

This problem would likely be greater in the lower value ranges if strata titles were concentrated in these ranges.

- (iv) **Valuation date and method.** The valuation date of land for tax purposes varies from State to State and some States use an average value over two or three years⁷. The valuation methods also vary, although these differences appear to be diminishing. The consultancy processes followed in previous years were directed primarily at removing these differences.

17. The problems of aggregation, joint ownership, and strata title are particularly relevant if it is necessary to correct for differences in thresholds, or allow for the effects of different value distributions. This is because calculation of any value distribution adjustment for NPR land requires that interstate data are comparable in each value range. At this time, the data are not comparable because:

- (i) not all States provided revenue data by value ranges resulting in an underestimation of the effective tax rates; and
- (ii) the policy differences relating to aggregation of property values and the treatment of strata titles cause inconsistent aggregation of property values by value ranges.

⁶ A taxpayer may be a trust, a company or a natural person, and own land in partnership with other taxpayers.

⁷ Depending on the actual valuation date (and whether values are averaged over two or more years), the land value used by the SRO can become less comparable from those in other States, particularly in periods of rapid change.

18. When alternative assessment methods that could use both V-G (for all residential land) and SRO data (for NPR land) are considered, intrastate comparability problems in reported aggregate number of properties and value between the two databases arise as well.

19. During the 2004 Review, Queensland pointed out many problems for interstate comparability. Western Australia, South Australia, Tasmania, and the ACT shared some of its concerns. The Commission's consultant also noted some problems in his report on the valuation data for the 2003 Update.

20. In this paper, we revisit and expand the assessment options considered in the 2004 Review. The proposed assessment options involve use of V-G data currently available, or respecified SRO data, or some combination of SRO and V-G data.

APPROACHES TO ESTIMATING ASSESSMENT DATA FOR NPR LAND

21. This section is based on the assumption that the existing method of having separate assessment components for C&I and NPR land will continue.

22. There is a range of data and method options the Commission could use to assess the NPR land component. These options essentially fall into two broad groups.

- (i) **Option 1: Existing data and method.** This is an indirect approach to the assessment, and was adopted because it reflected what States do in imposing land tax, within the constraint of the limited data available.
- (ii) **Option 2: Use SRO and, possibly, V-G data and revise method.** This is a direct approach to the assessment because SRO data is the starting point for this option. We consider three main sub-options below and, later, some variations to these.
 - **Option 2.1: Direct data approach.** This could be adopted if it were possible to obtain data from State revenue offices to our specification of a 'standard' revenue base. If so, the data could be directly used in the assessment without any need for estimation.
 - **Option 2.2: Estimation approach.** This could be adopted if we were to use the SRO data we currently hold and supplement them with estimates of NPR land values below the threshold in each State (with those estimates based on V-G data).
 - **Option 2.3: Use SRO data currently held by the Commission and revise method.** This could be considered if satisfactory data and an estimation method could not be established.

23. Option 1 retains the current approach. It uses proxy (V-G data) rather than the actual tax bases. It was adopted because data issues relating to actual tax bases in each

State under the standard tax policy were not available. It remains the **default** option if no substantial progress is made concerning data issues. However, we consider some variations to this approach later.

24. Option 2 relates to the actual tax bases available or potentially available from the State revenue offices. Within Option 2, Option 2.1 would be more appropriate if additional data ('missing' data below the threshold) to complete the existing tax collection data provided to the Commission by the SRO could be obtained from the SRO.

25. This could be done, if possible, by generating the SRO data for a presumed threshold of zero. If the data were available to our specification, the question would be whether the generated data were comparable and consistent for the Commission's purposes.

26. If not, we could use a range of estimation processes under Option 2.2. For example, we could use total residential land value data (the V-G data) adjusted for simple proportions of rented properties for values ranges below a State's land tax threshold to estimate the 'missing' (or below threshold) SRO data. We present calculations for this option later.

27. Alternatively, we could use information on property numbers from both the V-G and SRO data to further estimate the V-G data value data for property values below the threshold in each State. We plan to have this result available for the workshop.

28. Options 2.1 and 2.2, as outlined, would be appropriate if the assessment could use total value of NPR land instead of disaggregating the data by tax rate thresholds. If, however, adjustment for the thresholds was deemed necessary by the workshop, then the data problems relating to aggregation, joint ownership and strata title would have to be overcome so that interstate data were comparable in each value range (see paragraph 17). To do so would require standardised SRO data, that is, based on a standard threshold and standard aggregation and joint ownership, and strata title policy.

29. Under Option 2.3, we present calculations using SRO data on an 'as-is' basis (that is, use the data already provided to us by the State revenue offices).

EVALUATION OF NPR LAND VALUE DATA OPTIONS

30. In evaluating the assessment options, we have followed the Commission guidelines set out in Discussion Paper CGC 2002/5⁸ and applied three criteria.

- (i) Is it appropriate to undertake the assessment based on proxy tax bases?
- (ii) Is it possible to define a policy-neutral standard?

⁸ See Discussion Paper CGC 2002/5 Guidelines For Implementing Horizontal Fiscal Equalisation.

- (iii) In defining a standard and/or measuring a tax base, what degree of judgement is involved, and is the judgement supported by reasonable assumptions (such as whether the measurements used are sufficiently comparable and robust)?

Evaluation of basic options

31. **Option 1.** Table 1 summarises the State shares of the revenue base for the five years 1998-99 to 2002-03 for Option 1. Option 1.1 represents the data and method used in the 2004 Review. Retaining this option means, for the 2005 Update, requesting the V-G data for 2003-04 and simply updating the assessment without any change in method. As such it is the most straightforward and the least resource-intensive.

32. Some variations within Option 1 are feasible with the currently used data. For example, under Option 1.2, we exclude high value properties by setting an appropriate benchmark for each State. This option was motivated by the likelihood that a disproportionate number of these properties could be parent strata titles or owner-occupied residences (and hence not NPR properties).

Table 1 SHARE OF TOTAL VALUE, OPTION 1

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
	%	%	%	%	%	%	%	%
Option 1.1								
1998-99	48.19	21.13	16.79	6.56	4.74	0.87	1.31	0.42
1999-2000	46.46	21.96	16.72	8.99	3.47	0.70	1.16	0.54
2000-01	44.92	23.19	17.56	9.10	2.98	0.57	1.07	0.61
2001-02	44.47	23.33	17.88	9.29	2.98	0.35	1.15	0.55
2002-03	45.16	21.60	18.60	9.18	3.07	0.48	1.41	0.49
Option 1.2								
1998-99	48.01	21.27	16.70	6.56	4.83	0.88	1.32	0.42
1999-2000	46.63	22.27	16.71	7.58	4.27	0.72	1.35	0.47
2000-01	45.91	22.68	16.21	7.81	4.67	0.68	1.59	0.45
2001-02	45.04	22.43	16.74	8.45	4.78	0.44	1.71	0.40
2002-03	45.55	20.80	17.34	8.28	4.94	0.60	2.14	0.36

33. Such benchmark could be calculated based on the mode or the inter-quartile range of its value distribution (we have not calculated these).

34. Because Option 1 involves proxy tax bases, and judgement on the Commission's part about its appropriateness, the sub-options in this group (that is, Options 1.1 and 1.2) are generally less preferred to those in Option 2 or 3. However, it does provide a well-defined, comprehensive, simple, and policy neutral measure of the potential tax

bases. It is also based largely on comparable data across States, and on the reasonable assumption that NPR land is largely made up of privately rented accommodation⁹. In this sense, we view it as a good default or benchmark, albeit proxy, measure of the NPR land tax base in each State.

35. Option 1.2 and the other suggested variations are refinements of Option 1.1. However, to the extent that the private rental proportions decline as NPR land values increase, it (or the suggested variations) may better proxy the actual tax bases than Option 1.1. Besides, Table 1 shows that excluding properties in the value range exceeding \$3 000 000, as an example, has a small effect on the distribution of the measured tax base compared to Option 1.1.

36. **Option 2.** In concept, Option 2.1 would be our preferred approach because it aims to measure the actual tax bases and do so directly. Its preference to our default option (Option 1) is however a question of practicalities, and depends on the following key points.

- (i) Could the State revenue offices augment the data currently provided to us with, say, compliance data for property values below the threshold?
- (ii) Would such data be sufficiently policy-neutral?
- (iii) Would such data be comparable across States or would they require unreliable adjustments?
- (iv) How easily and quickly could the SRO extract and compile the data in a form consistent with the Commission's requirements?

37. Option 2.2 involves using SRO data for land values above the taxable threshold and V-G data, adjusted for simple proportions of rented properties — but without further adjustments for compatibility between the V-G and the SRO data — to estimate the distribution of NPR land values for value ranges below the taxable threshold in each State.

38. Table 2 summarises the State shares of the revenue base for the five years from 1998-99 to 2002-03 for Options 2.2 and 2.3. It shows that State shares of the revenue base under Option 2.2 would be quite different from either Option 1.1 or 1.2, particularly for 2000-01 and 2002-03. This reflects the fact that New South Wales NPR land is concentrated more in the upper value ranges under Option 2.2, whereas land values in the lower value ranges rose sharply in other States from 1999-2000 onwards.

39. Option 2.3 (and possible variants) uses a more direct measure of the revenue base, but the data used are likely to be highly policy-distorted. As a result, as is suggested by Table 2, it can significantly over- or under-estimate the base shares for each State and, as a result, could be disregarded.

⁹ While NPR land also includes unrented non-principal residential properties and properties provided to third parties without any formal rental arrangements, the implicit assumption is that these properties are a smaller proportion of NPR land values.

Table 2 SHARES OF TOTAL VALUE OF THE BASE UNDER OPTION 2

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
	%	%	%	%	%	%	%	%
Option 2.2								
1998-99	46.47	12.80	23.75	9.24	4.40	1.22	1.28	0.84
1999-2000	46.66	13.59	23.00	9.37	4.10	1.05	1.47	0.76
2000-01	43.04	17.16	22.28	9.76	4.52	0.95	1.51	0.80
2001-02	41.24	20.05	21.45	9.61	4.40	0.83	1.70	0.72
2002-03	42.41	19.00	24.90	7.60	3.91	0.57	1.05	0.57
Option 2.3								
1998-99	42.12	16.97	16.54	11.34	8.93	1.49	1.57	1.04
1999-2000	40.37	18.46	16.72	12.00	8.23	1.35	1.90	0.99
2000-01	36.22	22.96	16.51	12.25	7.92	1.20	1.92	1.02
2001-02	36.34	22.85	16.16	12.78	7.51	1.12	2.28	0.97
2002-03	35.38	23.52	19.66	10.96	7.33	0.78	1.54	0.84

40. Which measure of the NPR land component base is to be preferred?

41. Given that Option 2.2 uses the same data as those for the current method below each State's taxable threshold, its reliability as an estimate of the tax base distribution of NPR land values may be comparable to that of the current method. However, its reliability diminishes because the possibility of joint ownership of properties means that SRO data is not strictly comparable (and hence not strictly compatible) with V-G data.

42. On balance, because Option 2.2 is more directly linked to the actual revenue base in each State, it would be marginally preferable to the current method, although this depends crucially on the comparability and compatibility of the V-G and SRO data.

43. There is also a range of possible variations of Option 2.2. As noted above, for example, we could adjust the V-G data for the differences in property numbers as implied by the V-G and the SRO data. The question then would be whether the adjustment to the V-G data would make it more compatible with the SRO data and improve the estimate of the tax bases.

Adjustment for variable thresholds

44. For Option 2, we could also consider adjusting the tax bases to allow for the fact that there are differences between States in the tax-free thresholds. However, because of data comparability problems between States and across value ranges, it is questionable whether adjustments for threshold, through a value distribution adjustment or otherwise, would be desirable.

45. If we do adjust, the question would be: what is the 'standard' threshold and how do we measure it? For example, should it be a weighted average of the actual State

thresholds (a common threshold) or a weighted average percentage of median residential land values in each State (a variable threshold)?

46. New South Wales, for example, indexes its threshold in line with movements in commercial, industrial, and residential land values. In this sense, its threshold moves in line with average land values. Similarly, Victoria has raised its threshold sharply in the last three years after leaving it unchanged for several years (possibly to reflect the rapid increase in land values in this period). A similar pattern also applies for Western Australia and Tasmania. Queensland and South Australia, on the other hand, have not adjusted their thresholds in the last five years.

47. The alternative to applying a common or variable threshold would be to calculate a value distribution adjustment. Doing so would require addressing data problems relating to aggregation, strata title and valuation date so that interstate data for each value range are comparable, a necessary prerequisite for applying a value distribution adjustment. Moreover, because doing so means a substantial change in the method agreed by the Commission in the 2004 Review, the terms of reference for the 2005 Update need to make specific allowance.

COMMERCIAL AND INDUSTRIAL LAND

48. The problems outlined above for NPR land value data generally apply also to the C&I land value data from the SRO. However, they are likely to be less serious. For example, individual parcels of C&I land are held more by entities such as trusts and companies, with individual entities using it for particular business purposes. The consultant also noted that valuation problems arising from strata titling were likely 'to be so small as to be immaterial'¹⁰ in the case of C&I land. Successive rounds of consultations between the consultant and State Valuers-General in the past (and the use of V-G data) helped reduce these problems.

49. In short, we think the V-G and SRO data are more comparable for C&I land than for NPR land. As such, the assessment of the C&I land component using V-G data is broadly accepted by the States.

50. Commission staff are in favour of replacing biannual consultancies on this data with a single consultancy for each Review. This consultancy would set the benchmarks for the update years. We look forward to State views on this at the workshop.

¹⁰ Consultancy by the Australian Valuation Office, 2002.

CONCLUSIONS AND DISCUSSION POINTS

51. Within the spectrum of options for measuring the revenue base for the NPR land component base considered above, it is clear that we would prefer to implement Option 2.1, if it were feasible, because it would enable us to replace the existing proxy tax base assessment with an actual tax base assessment. The key question for this workshop is whether the State revenue offices could generate data that are policy-neutral, comparable, and consistent across States.

52. If Option 2.1 were not feasible, we would have to choose between the other options, based on the analysis above and further discussion at the workshop.

53. Because the SRO data that have been provided to the Commission are highly policy-distorted, Option 2.3 could probably be ruled out unless there was a way to estimate below threshold NPR land holdings using existing data supplied by the SRO¹¹. Even so, we would still have to choose between Option 1 (or one of the suggested variations) and Option 2.2. Our preference in these circumstances would be to continue with Option 1.1 for the 2005 Update, but this would depend on States' views on the reliability of the estimates used in Option 2.2.

54. Regardless of which option is selected, we would also have to decide if we should adjust for a standard threshold and, if so, how.

55. Against this background, we outline the key discussion points for the workshop as follows. We will however have to keep in mind the question of whether any proposed change would be consistent with the terms of reference provided to the Commission for the 2005 Update.

(i) Discussion points — NPR land component:

- *What are State views on whether SRO data are available for Option 2.1? Are they able to provide data on NPR land values below the taxable threshold? And are they confident that these data would be consistent and comparable across States?*
- *In relation to Option 2.2, what other adjustments (besides those indicated above) could we make to the V-G data to make them more compatible with the SRO data, and would they increase the reliability of the base estimates?*
- *Should we impose a standard threshold. If 'yes', how should we actually determine the standard?*

¹¹ This possibility should not be ruled out however. Given that States can estimate the revenue implications of changes to their thresholds, it may be possible to use this methodology to estimate the implication of removing the thresholds.

(ii) Discussion points — C&I land component:

- *Given the generally accepted consistency and comparability of State C&I data, can we now replace biannual consultancies on these data with a single consultancy for each Review?*

STATE LAND TAX POLICIES

1. Land tax is levied on the unimproved value or site value of selected categories of land.

2. Some recent changes to State land tax policies, including to tax rates and thresholds, are listed below and actual State land tax policies applying in 2003 are set out in Table A-1.

3. Victoria increased the tax-free threshold from \$125 000 to \$150 000 for the 2003 land tax year.

4. From 30 June 2002 in Queensland, companies, trustees, and absentees no longer received the 15 per cent general rebate. Land owned by a company, absentee or trustee with an aggregate taxable value of less than \$150 000 was exempt (previously \$100 000). The special rebate provided to companies and trustees was increased and expanded to include absentees. Companies, trustees, and absentees owning land with an aggregate taxable value of \$150 000 or more but less than \$215 000 received a special rebate equal to 36 per cent of the tax less 0.5 per cent for each \$1 000 that the taxable value is more than \$150 000.

5. From 1 July 2002, Western Australia applied a new marginal tax rate of 2.3 per cent to land with unimproved value between \$2 million and \$5 million and a new rate of 2.5 per cent to land with an unimproved value above \$5 million.

6. Tasmania reduced its land tax rates from 1 July 2002. The amount at which land tax became payable increased from \$1 000 to \$15 000 and the number of steps in the scale were reduced from eleven to five.

7. The ACT changed the exemption status for residential land tax and increased the non-residential land tax rates from 1 October 2002.

Table A-1 LAND TAXATION

NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Tax scale: Marginal rates apply to excess above the lower limit of the range unless explicitly specified.	From 31.12.02: Less than \$261 000; Less than \$261 000; Not less than \$261 000; \$100 + 1.7% Threshold indexed annually to estimated increase in state-wide land values for commercial, industrial and residential properties.	\$220 000% deduction for all natural persons (exemption threshold of \$170 000 for companies, trustees and absentees). A natural person who is not an absentee or a trustee of a trust receives a general 15% rebate. Payment not required for assessments less than \$350. Companies, trustees and absentees owning land with an aggregate taxable value of \$170 000 or more but less than \$235 000 will receive a special rebate equal to 36% of the tax less 0.5% for each \$1 000 that the taxable value is more than \$170 000.	For 2003-04 land tax year: \$0-\$50 000: nil \$50 001-\$190 000: \$75 + 0.15% \$190 001-\$550 000: \$285 + 0.45% \$550 001-\$2 000 000: \$1 905 + 1.652 000 00 \$1-55 000 000: \$27 425 + 2.30% Over \$5 000 000: \$96 425 + 2.50% The Metropolitan Region Improvement Tax is levied on the unimproved value of land situated in the metropolitan region at the rate of 0.15c per \$1.	\$0-\$50 000: nil \$50 001-\$300 000: 0.35% \$300 001-\$1 000 000: \$875 + 1.65% Over \$1 000 000: \$12 425 + 3.7%	\$0-\$15 000: nil \$15 001-\$100 000: \$25 + 0.55% \$100 001-\$200 000: \$492.50 + 1.25% \$200 001-\$500 000: \$1 742.50 + 2.25% \$500 001 or more: \$8 492.50 + 2.50%	Based on Average Unimproved value which includes the 2001, 2002, 2003 Unimproved Land values: Residential properties: Up to \$100 000: 1% flat \$100 001-\$200 000: 1.25% flat Over \$200 000: 1.50% flat Commercial properties: Up to \$100 000: 1% flat \$100 001-\$200 000: 1.40% flat Over \$200 000: 1.70% flat	Not imposed.
	Less than \$150 000; \$150 000; nil \$150 000-\$200 000; \$150 and 0.1% \$200 000-\$539 999; \$200 + 0.2% \$540 000-\$674 999; \$880 and 0.5% \$675 000-\$809 999; \$1 555 + 1% \$810 000-\$1 079 999; \$2 905 + 1.75% \$1 080 000-\$1 619 999; \$7 630 + 2.75% \$1 620 000-\$2 699 999; \$22 480 + 3% \$2 700 000 and over: \$54 880 + 5%.						
(No adjustment if state-wide land values decline).	The Metropolitan Improvement Levy, collected by water authorities, is levied on the site value of rateable property within the metropolitan region.	Tax rates: Taxable value: Up to \$3 999: 0.20% \$4 000-\$5 999: \$8 + 0.36% \$6 000-\$9 999: \$15.20 + 0.52% \$10 000-\$29 999: \$36 + 0.70% \$30 000-\$49 999: \$176 + 0.87% \$50 000-\$199 999: \$350 + 1.03% \$200 000-\$349 999: \$1 895 + 1.20% \$350 000-\$499 999: \$3 695 + 1.37% \$500 000-\$649 999: \$5 750 + 1.54% \$650 000-\$799 999: \$8 060 + 1.71% \$800 000-\$949 999: \$10 625 + 1.89% \$950 000-\$1 099 999: \$13 460 + 2.01% \$1 100 000-\$1 249 999: \$16 475 + 2.23% \$1 250 000-\$1 299 999: \$19 820 + 2.44% \$1 300 000-\$1 349 999: \$21 040 + 2.66%					

Table A-1 LAND TAXATION (continued)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Tax scale (continued):			<p>\$1 350 000-\$1 399 999: \$22 370 + 2.87% \$1 400 000-\$1 449 999: \$23 805 + 3.09% \$1 450 000-\$1 499 999: \$25 350 + 3.30% \$1 500 000 and over: 1.8% flat.</p> <p># Resident natural persons receive a deduction of \$200 000 from the total unimproved value of land before arriving at the taxable value.</p>					
Exemptions^(a):								
Primary residence:	Exempt, apart from places of principal residence whose unimproved land value is not less than \$1 680 000 (from 31.12.02) which are liable at the rate of \$100 plus 1.7% of the value of land in excess of \$1 680 000. Threshold indexed annually to the estimated increase in Sydney residential values. (No adjustment if Sydney values decline).	Principal place of residence.	Exempt with conditions.	Exempt. Except principal place of residence owned by companies and trusts.	Exempt with conditions.	Exempt.	Exempt, apart from parcels of land that are rented.	Not applicable.
Primary production land	Exempt.	Exempt with conditions.	Exempt with conditions.	Exempt.	Exempt with conditions.	Exempt.	Exempt.	Not applicable.
Reference period:	Based on value of land as at 1 July of the previous year if owned at midnight 31 December of the previous year.	Based on aggregate value of land owned as at midnight on 31 December of the previous year to the assessment year.	Based on value of land as at 30 June of the previous year. The land tax value is the lesser of the unimproved value at the 30 June and the average of the unimproved values at 30 June over the last three years.	Based on value of land as at 30 June of the previous year.	Based on value of land as at 30 June of the previous year.	Based on value of land as at 1 July of the assessment year.	Based on a rolling three-year average of property values. Liability is assessed quarterly on the liability dates of 1 July, 1 October, 1 January and 1 April.	Not applicable.

(a) Generally charitable, religious and educational bodies are exempt with conditions.