



WESTERN AUSTRALIAN BUDGET 2004 / 2005

- Stamp Duty - Land Tax

The Western Australian government released its budget for the 2004/2005 income year. We provide below a brief summary of the significant changes to the imposition of stamp duty and land tax.

1. Across the scale stamp duty on conveyances has been reduced by 5%. We provide below a table of the rates to apply from 1 July 2004.

STAMP DUTY ON PROPERTY CONVEYANCES		
Property value	Current marginal rate on excess	New marginal rate on excess as at 1/7/04
\$0 to \$80,000	2.30%	2.30%
\$80,001 to \$100,000	3.45%	3.30%
\$100,001 to \$250,000	4.75%	4.50%
\$250,001 to \$500,000	5.90%	5.60%
Over \$500,000	6.30%	6.00%

2. In response to significantly increasing land values, land tax thresholds have been adjusted upwards. We provide below a table of the land tax scale to apply from 1 July 2004.

LAND TAX SCALE			
Unimproved Value of Land – current	Marginal rate on excess	Unimproved Value of Land – from 1/7/04	Marginal rate on excess
\$50,000 to \$190,000	0.15%	\$100,000 to \$220,000	0.15%
\$190,001 to \$550,000	0.45%	\$220,001 to \$570,000	0.45%
\$550,001 to \$2,000,000	1.76%	\$570,001 to \$2,000,000	1.76%
\$2,000,001 to \$5,000,000	2.30%	\$2,000,001 to \$5,000,000	2.30%
Over \$5,000,000	2.50%	Over \$5,000,000	2.50%

Also, a new land tax exemption will apply from 1 July 2004 for land protected by an approved conservation covenant.

3. Finally, we note that first home buyers will pay no conveyance duty on a dwelling worth \$220,000 or less. Concessions will apply at a reducing rate thereafter on dwelling properties valued up to \$300,000.

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