

The Role of Recurrent Land Tax and Revenue Trends in Australia

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SUMMARY

Australia is one of the few jurisdictions internationally that imposes a recurrent tax on land by two distinct levels of government. As one of the more visible and salient taxes, the challenge that faces government is refining this tax and managing taxpayer perceptions while improving its efficiency. This paper examines the emerging trends in revenue collected from land tax by State and local government across Australia over the past decade. It further examines the diverging rationale for its imposition, how it may be reformed and how taxpayer perceptions are to be managed by government as it increases in importance as a source of tax revenue over the next decade.

The objective of this paper is to measure recurrent land tax collected by state and local government across Australia and monitor emerging trends in the relativity of tax revenues collected between these tiers of government over the past decade. In undertaking this analysis, land tax revenues have been sourced from the Australian Bureau of Statistics between 2001 and 2012, with trends measured at the beginning, middle and end of this period. This paper shows that inefficiencies exist in the imposition of this tax in Australia and defines the way forward in reforming this tax