

Media Release

Mr Tim Pallas MP
Treasurer
Minister for Industrial Relations
Minister for Economic Growth



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STAMP DUTY REFORMS TO BACK VICTORIAN BUSINESSES

The Allan Labor Government is delivering a fairer go for Victorian businesses by abolishing stamp duty on Victorian commercial and industrial properties, with new legislation to be introduced to Parliament today.

The *Commercial and Industrial Property Tax Reform Bill 2024* will transform commercial property tax by abolishing the upfront cost of stamp duty and replacing it with a more efficient Commercial and Industrial Property Tax – making it easier for businesses to set up, invest in new land and buildings and move to new locations.

Initially announced in the *Victorian Budget 2023/24*, the reform has been informed by ongoing consultation with key business and industry groups to ensure it supports and encourages property owners through the transition by making it as simple, fair and consistent as possible.

The commercial stamp duty reform is expected to add thousands of jobs to Victoria's economy and benefit the state's economy by up to \$50 billion in cumulative net present value terms over the next 40 years.

From 1 July 2024, when a property is sold, it will transition into the new system, with stamp duty being payable one final time on that property, and then after ten years the Commercial and Industrial Property Tax applying at a rate of one per cent of the property's unimproved land value.

To fund their final stamp duty payment, eligible purchases can access a transition loan provided by the Treasury Corporation of Victoria on commercial terms, freeing up capital for businesses so they can expand or employ more workers.

Owners of residential, primary production, community services, sport, heritage or cultural properties will not be affected by the reforms.

Existing stamp duty concessions for commercial and industrial properties, including the regional concession, will all continue to be available for the final stamp duty payment – and existing land tax exemptions will also apply to the Commercial and Industrial Property Tax.

Ahead of the 1 July 2024 start date, the Government will provide educational support on the reform, including helping industry and taxpayers navigate the transition to the new scheme.

Quotes attributable to Treasurer Tim Pallas

"While others talk about productivity reform, we're getting on with abolishing one of the least efficient taxes in the Federation to back Victorian businesses."

"We've worked closely with industry to deliver these changes, supporting Victorian businesses to grow and expand faster without the burden of stamp duty."

Quotes attributable to Victorian Chamber of Commerce and Industry CEO Paul Guerra

"This bold move to stimulate commercial property investment signals the Victorian Government's willingness to further the conversation about tax reforms in a way that can benefit business growth in Victoria."

Media contact: Ondrej Foltin 0413 029 820 | ondrej.foltin@minstaff.vic.gov.au