

Media Release

Mr Tim Pallas MP
Treasurer
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BACKING VICTORIAN BUSINESS BY ABOLISHING STAMP DUTY

The Allan Labor Government's landmark tax reform for Victorian businesses has passed Parliament, transitioning commercial and industrial properties away from stamp duty from 1 July 2024.

The commercial and industrial property tax reform will progressively abolish stamp duty and replace it with a more efficient commercial and industrial property tax. This transformational reform will help Victorian businesses set up, invest in new land and buildings, and employ more workers.

The reforms amount to a \$266 million tax cut in the first four years, adding 12,600 jobs and benefiting Victoria's economy by up to \$50 billion over the next 40 years in cumulative net present value terms.

Since announcing the development of this reform, the Labor Government has worked closely with industry and the property sector to finalise the design which was confirmed in the *Victorian Budget 2024/25*.

From 1 July 2024, stamp duty will be payable one final time on commercial and industrial properties as they are transacted – with no stamp duty applicable to any future sale of those properties.

The commercial and industrial property tax will apply 10 years after the next transaction and will be set at a flat rate of 1 per cent of a property's unimproved land value per annum.

As part of the transition, eligible purchasers will have the option of accessing a government transition loan for the final stamp duty payment, allowing them to avoid any up front lump sum payment – freeing up capital to invest and employ more workers.

The Labor Government will provide educational support to help industry and taxpayers transition to the new scheme.

Further details are available at dtf.vic.gov.au/funds-programs-and-policies.

Quotes attributable to Treasurer Tim Pallas

"We're encouraging more businesses to set up and expand through this transformational reform of Victoria's property tax system."

"This reform is all about supporting business and growing the economy – it provides a \$266 million tax cut in the first four years that will encourage businesses to set up, invest and employ more Victorians."

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

"This is a milestone moment for Victorian business that will encourage and promote growth. The Victorian Chamber of Commerce and Industry has worked with the State Government to achieve this significant tax reform and we look forward to the increased activity that this change will stimulate."