

LAND TAX

Business people are misleading the public when they blame the land tax for their failure to make a worthwhile profit. In fact, land tax can be deducted fully from income tax and therefore does not affect profit. The real culprit is the recession which, in turn, is due to our crazy tax system. Over the last two decades governments have put an ever increasing burden of taxation on industry and the consumer whilst, at the same time, the nation's enormous community created land values have been exempted more and more from contribution to revenue. This has led to massive land speculation with consequent prohibitive land prices and locational rents. These factors have inevitably led to the recession.

At the same time it must be stressed that, whilst many city properties have had massive increases in land tax, there are tens of thousands of valuable sites in West Australia that are paying no land tax at all. This is because of the ridiculously high level of land value at which exemptions are granted. If all marketable land, whether used or not, paid its fair share of rental revenue to the nation, the unfair burden borne by city properties could be considerably reduced. Also land prices and locational rents would be brought down and taxes on production could be largely eliminated.

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