

Dear Sir/Madame,

I would like to point out an inconsistency in the State Government of Queensland's Tax system with regard to Land Tax as it relates to self managed superannuation funds (SMSF's).

- Under the current system land tax is payable by an individual on land with a value exceeding \$650,000. I interpret this to mean that a husband and wife could own land in their individual names to the value of \$1.3M before incurring land tax payments
- This threshold is reduced to \$350,000 for land owned by a trust
- By law all self managed superannuation funds have to be trusts
- A husband and wife with land in a joint self managed superannuation fund can only own land to the value of \$350,000 before incurring land tax. An extremely expensive tax by anyone's estimation
- It would appear that the Queensland government has targeted SMSF's with this tax
- The Federal Government waives capital gains tax on the sale of land held in a superannuation fund as an incentive for SMSF's to be able to invest in quality properties to help fund their retirement.
- The State Government places huge taxes on the same land which discourages the trusts from purchasing this land.

I don't see why land that is held in a SMSF is any different from land that is owned by an individual and it would make more sense if the same rules applied to both. The current situation discourages SMSF's from including land in their investment portfolio.

Regards
Alan Irving