

I would like to submit a proposal for consideration by the taxation review group.

I would like to state that I have one negatively geared property.

Although negative gearing can be a positive by assisting investors to provide housing it can also be a negative that drives up rents and house prices. Vacant properties assist no-one. Whilst it would be impractical to require 100% vacancy rates I would suggest that any property vacant for more than 3 months (this figure is arbitrary and those with access to tax data on vacant properties would be able to access this time better.) in a tax year ceases to receive the benefit of negative gearing.

This would provide a number of positive movements in the market and even the negatives would be offset through business increases elsewhere.

- landlords would be encouraged to actually rent the property instead of leaving it vacant
- landlords would accept lower rents as the 3 month deadline draws closer
- properties would be actually providing housing for people instead of sitting vacant
- holiday rental property would be crushed under this suggestion however this would move the punters into hotels increasing business from this struggling sector

I must admit I haven't thought this completely through however I think the idea has merit and need consideration from those more informed.

Sincerely
Mike Reynolds