

Clive McIntyre

15 September 2008

AFTS Secretariat
The Treasury
Langton Crescent
PARKES ACT 2600

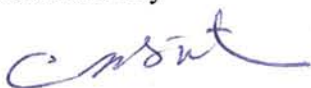
Dear Sirs.

Re: Federal Government's Tax and transfer payment review.

I believe the following four issues need to be addressed in the review.

1. All race based legislation needs to be removed from the assessment for transfer payments as this only creates resentment against those given preferential treatment due to their race.
2. Attention needs to be paid to the assessment of taxable income of individuals who are habitually renovating their primary residence to make tax free income. They talk of having to hold the property for two years to avoid the tax. Because of building time, this means they only live in the house for a couple of months. I suggest ;
 - a. Make capital gain on the sale of the primary residence tax free provided no building works was done on the property that required a building licence.
 - b. Make capital gain on the sale of the primary residence that has had building works done on it during the time of ownership, tax free provided that the building works has been complete for at least two years as documented by a completion certificate issued by the local government. Make the time 4 years for the second incidence within a 7 year period.
3. On a state level, stamp duty on the sale of the primary residence should be abolished and replaced by a registration fee to cover the administration costs of recording and transferring title. This is so that people can cheaply change homes to reduce commuting time, cost and environmental impact.
4. A carbon tax should not be cancelled out by subsidising some groups for the extra cost of the tax to maintain their current activities. Every one needs to be affected by the tax so that they all adjust their behaviour. (No swapping of excise duty for carbon tax.) Income tax needs to be reduced by the amount of the carbon tax revenue so that no extra revenue is raised. There should be no hand outs from the carbon tax raised which solves the problem of who should be given the proceeds of the tax. The rate of tax on emission of carbon and the other problem gasses should be gently eased into the system while the income tax scales and thresholds are reduced so that the economy can adjust to the new tax system.

Yours Sincerely



Clive McIntyre