

### Question 30 (DTF only) Revenue initiatives

Regarding the revenue initiatives announced in the 2017-18 and 2018-19 Budgets, please provide an explanation for the variances equal to or greater than ±10% or \$100 million between budget estimates and current estimates.

#### 2017-18 Response

Initiative	2017-18 estimate at time of 2017-18 Budget (\$ million)	2017-18 current estimate (\$ million)	What data would be available if requested directly from SRO/agency responsible
Abolish insurance duty on agricultural products	-4.0	No revision	Data are available from SRO on the total value of premiums collected only. It is not possible to separately identify the value of premiums to different products.
Aligning motor vehicles duty rates	93.8	58.8	Data are available from VicRoads on motor vehicles by type of vehicles. The variance of the <b>estimates</b> is due to an increase in the Commonwealth luxury car threshold and an unforeseen decline in motor vehicle sales.
Billboard advertising revenue along freeway corridors	2.0	2.2	Data are available from VicRoads. The variance for the 2017-18 actual figure is within the specified range.
Bring forward increases in the payroll tax-free threshold	-24.0	No revision	The SRO does not have data on businesses that have ceased to be liable for payroll tax.
Payroll tax - increase the threshold for annual payments	..	No revision	The SRO can provide data on the number of annual and monthly payroll taxpayers. This initiative has no revenue impact for the financial year overall.
Reduce the payroll tax rate applicable to regional businesses	-41.0	-71.5	Data are available from the SRO. The revised <b>estimate</b> is based on annual reconciliations of total payroll, which indicate that a higher proportion of wages paid by grouped businesses are eligible for the regional employer rate than provided for in the methodology used at the 2017-18 Budget.
Removing the exemption for certain transfers of property between spouses	20.0	No actual	The SRO does not have data on transactions that have ceased to qualify for a tax exemption.
Abolish stamp duty for first home purchases valued up to \$600 000, with a concession applying for purchases valued between \$600,000 and \$750,000	-150.9	Not itemised	There is no actuals data available from SRO. The <b>estimated</b> revenue forgone in 2017-18 is solely due to the changes to the first home buyer exemption/concession is \$312,865,022 - this includes both revenue forgone due to the movement from a 50% reduction to an exemption for transactions of \$600,000 or less as well as the introduction of a concession for transaction above \$600,000 but below \$750,000.
Introduce a Vacant Residential Land Tax (VRLT)	10.0	Not itemised	Data are available from the SRO but it is not published. VRLT revenue collected for the 2018 land tax year was \$5.7 million, from 465 VRLT assessments. These figures are not public, and VRLT revenue is not itemised within the budget papers. Also known as Vacant Residential Property Tax.
Retarget the off the plan stamp duty concession	51.0	No actual	The SRO does not have data on transactions that have ceased to qualify for a tax exemption.

#### 2018-19 Response

Initiative	2018-19 estimate at time of 2018-19 Budget (\$ million)	2018-19 current estimate (\$ million)	What data would be available if requested directly from SRO/agency responsible
Exempt Australian Defence Force personnel from the first home buyer stamp duty exemption/concession residence requirement	-1.3	No actual	Data are not available from SRO. Being a member of the Australian Defence Force is only relevant to an individual's eligibility and not the calculation of a concession, it is not included in land transfer duty data.
Expand the young farmer land transfer duty exemption/concession threshold	-0.5	Not itemised	There is no actuals data available from SRO. The <b>estimated</b> revenue forgone in 2018-19 solely due to the expansion of the threshold for the young farmer exemption/concession is \$845,498.
Reduce the payroll tax rate to 2.425 per cent for regional businesses	-39.0	-92	Data are available from the SRO. The revised <b>estimate</b> is based on annual reconciliations of total payroll, which indicate that a higher proportion of wages paid by grouped businesses are eligible for the regional employer rate than provided for in the methodology used at the 2018-19 Budget.