



# Five years of tax in one hit

## Firms hit with backdated bills

By KATE MURRAY

SMALL businesses are being slugged with a land tax bill going back five years that could cost them tens of thousands of dollars.

Hundreds of business owners who rent Crown land from state, local or federal governments are being hit with the sudden tax, which was levied after the State Government found itself in a budget blackhole for the first time in years.

The tax has come about because of a little-known clause in the Land Tax Management Act stating that while councils were not responsible for land tax on land they own, their tenants are.

Although the rule has been in place since 1991, the Office of State Revenue only sent out letters to business owners last year. Under the legislation, the Government is allowed to levy land tax for the current year, as

well as four previous years.

That means even businesses that have shut up shop or gone broke will be liable for the retrospective tax.

But a letter from parliamentary secretary Graham West to Sydney Lord Mayor Clover Moore said the State Government had "no authority to waive or reduce a tax that is properly payable".

"To do so would be unfair to other taxpayers who have paid land tax in similar circumstances," the letter stated.

The letters warning of land tax liabilities were sent to businesses in late July last year, just weeks before the Government abandoned the unpopular vendor tax that helped to burst the Sydney housing bubble.

Darlinghurst businessman Brian Pollard is waiting to hear how much he will be taxed after he sent back the State Government's land tax questionnaire in July.

"How long is a piece of string," said Mr Pollard, the owner of Go Vita on Oxford St.

"We're businesspeople, we're not bottomless pits."

Mr Pollard said the retrospective tax was not fair because businesses that knew they would have to pay tax each year could budget for it, but he had not been told it was an option.

"It's money that should have been budgeted for in the past five years. Where does it come from?"

Dozens of Oxford St retailers are facing the bills, which have come on top of a business slump caused by footpath widenings.

"This is just another hardship added to everything else," he said.

The Office of State Revenue did not answer *The Daily Telegraph's* questions yesterday.

**Have you been affected by the land tax impost? E-mail us via**  
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Shock . . . Brian Pollard at his store yesterday. Picture: CRAIG GREENHILL