

## **REINSW: NSW GOVERNMENT URGED TO REVIEW STAMP DUTY CALCULATIONS AMID CONCERNS HOME BUYERS MAY HAVE PAID TOO MUCH**

**5 June 2026: The Real Estate Institute of New South Wales (REINSW) is calling on the NSW Government to urgently review the way it has calculated the indexed stamp duty thresholds, amid concerns that home buyers may have paid thousands of dollars more than required.**

REINSW CEO Tim McKibbin said the issue arose from the interpretation and application of the 2019 amendments to the *Duties Act* by then Treasurer Dominic Perrottet to index the stamp duty tax brackets.

"In my view, the Government has got the calculation that adjusts the tax brackets wrong," Mr McKibbin said.

"This is an important issue as when the brackets increase, a larger portion of the property price is captured by the lower rates of tax. The result, purchasers pay less tax.

"In 1986, the Government set the stamp duty rates and brackets. At that time, Mr Bob Debus, Minister for Finance, said in his second reading speech that *"the increased rates would only affect properties worth more than \$300,000 and would not affect the average home purchaser."*

"I do not need to point out how far out of date the tax brackets are today.

"Over time, because property prices have risen significantly, home buyers have been pushed into higher tax brackets that were never intended to capture them. This is known as bracket creep. Government, by ignoring the ever-increasing injustice of the tax regime, makes more money.

"In 2019, indexation was introduced. The question is how that indexation should be calculated. Government has interpreted the legislation in a way that I say is wrong, and the better interpretation results in purchasers paying less stamp duty."

"When Government initially applied the formula, it was, in my view, the correct way to calculate the stamp duty. Then, in February 2022, Government changed the formula, that I now say is wrong. Government should have continued to use the formula it originally determined."

Mr McKibbin said the purpose of the 2019 reform was described by the then Treasurer Dominic Perrottet as *"indexing stamp duty to make housing more affordable for the next generation"*.

"There are two ways to read that statement," Mr McKibbin said.

"One, Government intended to merely freeze an inequitable and outdated tax regime established in 1986. In other words, continue with a belief that \$300,000 is a very expensive home

"Alternatively, the reference to the 'next generation' strongly suggests the reform was intended to deliver a future benefit to home buyers. The application of Mr Perrottet's

formula would have slowly moved the tax brackets up to where they should be today. This strategy would allow Government time to absorb the reduced revenue.”

Mr McKibbin said, after being alerted by State Taxes Consultant Joanne Seve’s concerns regarding Government’s application of the indexation formula over the past 4 years, and being satisfied with his own investigations, that Government’s application of the formula was wrong, he sought specialist tax advice from Ms Seve and that of Senior Counsel.

In his view, the error impacts purchasers back to February 2022. In the current financial year, the following table sets out an example of what purchasers paid, what they should have paid, and what refund they are due.

<b>Median Home Price (source: Cotality)</b>	<b>Current stamp duty based on 2019 base thresholds indexation</b>	<b>Stamp duty based on indexed thresholds indexation</b>	<b>Difference</b>
House			
<b>\$1,600,301</b>	<b>\$70,034</b>	<b>\$63,368</b>	<b>\$6,666</b>
Dwelling (combined)			
<b>\$1,292,157</b>	<b>\$53,083</b>	<b>\$49,499</b>	<b>\$3,584</b>
Unit			
<b>\$907,431</b>	<b>\$35,249.50</b>	<b>\$32,187.50</b>	<b>\$3,062</b>

“The Government should immediately review its interpretation, publish the basis for its calculations and, if necessary, establish a refund process for affected purchasers,” Mr McKibbin said.

Mr McKibbin said the issue is especially important at a time when housing affordability remains one of the greatest challenges facing NSW.

“Stamp duty is already one of the biggest upfront barriers to home ownership,” Mr McKibbin said.

“If the Government has collected more than it was entitled to collect, that money should be returned plus interest.

“This is not a technical argument without consequence. It goes directly to the amount of tax paid by people buying homes in NSW.”

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#### **About REINSW**

The Real Estate Institute of New South Wales (REINSW) is the peak industry body for real estate agents and property professionals in NSW. It represents more than 2500 agencies across residential sales, property management, commercial, strata management, buyers’ agency, agency services and auctioneering. Established in 1910, REINSW works to improve the standards, professionalism and expertise of its members to continually evolve and innovate the industry. It lobbies the government and industry on behalf of members,



develops new products and services to benefit agencies and professionals, and offers training and ongoing professional development. For more information, visit [reinsw.com.au](https://reinsw.com.au).