

**This document has a retrospective amendment effective from 1 Jul 2008, see the *Revenue Laws Amendment Act (No. 2) 2012 Pt. 2*. The effect of this retrospective amendment has not been included in this document. To see the provision as amended by the retrospective amendment see the document as at 8 Oct 2012.**

Western Australia

## **Duties Act 2008**



## Duties Act 2008

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**Defined Terms**



Western Australia

## **Duties Act 2008**

**An Act dealing with the imposition of a number of kinds of duty.**

The Parliament of Western Australia enacts as follows:

## Chapter 1 — Preliminary

### 1. Short title

This is the *Duties Act 2008*.

### 2. Commencement

This Act comes into operation as follows:

- (a) sections 1 and 2 — on the day on which this Act receives the Royal Assent;
- (b) the rest of the Act — on 1 July 2008.

### 3. Terms used in this Act

In this Act, unless the contrary intention appears —  
*chattel* does not include any of the following —

- (a) chattels that are stock-in-trade;
- (b) chattels held for use in manufacture;
- (c) chattels under manufacture;
- (d) chattels held or used in connection with the business of primary production;
- (e) livestock;
- (f) a vehicle the transfer or grant of a licence for which is chargeable with, or exempt from, vehicle licence duty;
- (g) a ship or vessel;
- (h) any other chattel prescribed for the purpose of this definition;

*consideration* means the amount of a monetary consideration or the value of a non-monetary consideration;

*corporate trustee* has the meaning given in section 65;

*corporation* has the meaning given in the Corporations Act section 57A;

**Corporations Act** means the *Corporations Act 2001* (Commonwealth);

**court** includes a tribunal;

**director** has the meaning given in the Corporations Act section 9;

**discretionary trust** means —

- (a) a trust under which the vesting of the whole or any part of the capital of the trust property, or the whole or any part of the income from that capital, or both —
  - (i) is required to be determined by a person either in respect of the identity of the beneficiaries, or the quantum of interest to be taken, or both; or
  - (ii) will occur in the event that a discretion conferred under the trust is not exercised;

or

- (b) a trust that is, by regulation, declared to be a discretionary trust for the purposes of this Act,

but does not include —

- (c) a trust that is solely a charitable trust; or
- (d) a trust that is, by regulation, declared not to be a discretionary trust for the purposes of this Act;

**duplicate** of a transaction record for a dutiable transaction means an executed instrument that wholly reproduces the transaction record;

**dutiable property** has the meaning given in section 15;

**dutiable transaction** has the meaning given in section 11;

**duties Act** means this Act or the Taxation Administration Act;

**duty** means duty under this Act;

**duty endorsed** has the meaning given in section 272;

**entitled** means —

- (a) in relation to a person as the trustee of a unit trust scheme or other trust — entitled for the purposes of the scheme or trust; and
- (b) otherwise — beneficially entitled;

**exempt body** means —

- (a) the State of Western Australia; or
- (b) a public authority declared to be an exempt body under section 92; or
- (c) a local government, except when it acts in its capacity as the trustee of a superannuation fund;

**general rate** of duty means the rate set out in Schedule 2 Division 1;

**GST** has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Commonwealth) except that it includes notional GST of the kind for which payments may be made under the *State Entities (Payments) Act 1999* by a person that is a State entity as defined in that Act;

**land** includes —

- (a) any estate or interest in land other than a carbon right or a carbon covenant registered under the *Carbon Rights Act 2003*; and
- (b) a mining tenement; and
- (ca) an estate or interest in a mining tenement; and
- (cb) anything that —
  - (i) under the authority (whether direct or indirect) of a mining tenement, is fixed to land that is the subject of that mining tenement; and
  - (ii) would be part of that land as a fixture if the mining tenement were a freehold estate in the land;

and



- (c) a licence under the *Petroleum Pipelines Act 1969*; and
- (da) a pipeline, as defined in the *Petroleum Pipelines Act 1969* section 4(1), constructed on land under the authority of a licence under that Act; and
- (d) anything that is part of land as a fixture;

**landholder duty** means duty under Chapter 3;

**local government** means —

- (a) a local government established under the *Local Government Act 1995*; or
- (b) a regional local government established under the *Local Government Act 1995* Part 3 Division 4; or
- (c) an association constituted under the *Local Government Act 1995* section 9.58;

**lodge** means lodge with the Commissioner;

**majority shareholder**, in relation to a corporation, means a person that would have a substantial holding in the corporation under the definition of “substantial holding” in the Corporations Act section 9 if the reference in that definition to 5% were a reference to 50%;

**mining tenement** means any of the following —

- (a) a mining tenement held under the *Mining Act 1978* being a mining tenement within the meaning of that Act or the *Mining Act 1904*;
- (b) a mining tenement or right of occupancy continued in force by the *Mining Act 1978* section 5;

**nominal duty** means the amount of duty referred to in Schedule 2 Division 3;

**order** includes determination, judgment or decree;

**partnership** has the meaning given in the *Partnership Act 1895* section 7;

**prescribed** means prescribed by regulation;

***prescribed financial market*** means a financial market, as defined in the Corporations Act section 767A(1), that is prescribed for this definition;

***primary production*** means any of the following —

- (a) the growing or rearing of plants (including trees, fungi or any crop) for the purpose of selling them, parts of them or their produce;
- (b) the breeding, rearing or maintenance of living creatures for any of the following purposes —
  - (i) selling them (or their progeny) for food;
  - (ii) the production or collection of their skins, shells or bodily produce;
  - (iii) selling parts of them or their skins, shells or bodily produce;
- (c) the breeding or rearing of horses for the purpose of selling them or their progeny;

***public authority*** means —

- (a) a trading concern, instrumentality or public utility of the State; or
- (b) any other person or body, whether corporate or not, who or which, under the authority of a written law, administers or carries on for the benefit of the State, a social service or public utility;

***registered scheme*** has the meaning given in the Corporations Act section 9;

***related corporation*** has the meaning “related body corporate” is given in the Corporations Act section 9;

***security interest*** means the estate or interest of a mortgagee, chargee or other secured creditor;

***share*** —

- (a) in Chapter 2 Part 5 Division 3 — has the meaning given in section 63; and

- (b) otherwise — means a share or stock of a corporation or an interest in a share or stock of a corporation;

**supply**, in relation to an amount of GST, has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Commonwealth);

**Taxation Administration Act** means the *Taxation Administration Act 2003*;

**transaction** includes an event;

**transaction record**, in relation to a dutiable transaction, means —

- (a) an instrument that effects, or evidences, the dutiable transaction; or
- (b) a transfer duty statement for the dutiable transaction; or
- (c) a copy or memorandum that, under the Taxation Administration Act section 20, is treated as an instrument or statement referred to in paragraph (a) or (b);

**transfer duty** means duty under Chapter 2;

**transfer duty statement** means a statement referred to in section 22;

**vehicle licence duty** means duty under Chapter 5;

**wound up** has the meaning given in section 7(1).

Note: Other terms are defined or explained in the Chapters in which they are used. At the end of this Act there is an alphabetical list of all terms that are defined anywhere in this Act. See also section 4(2).

*[Section 3 amended by No. 33 of 2011 s. 4.]*

#### **4. Relationship with *Taxation Administration Act 2003***

- (1) The Taxation Administration Act provides for the administration and enforcement of this Act.
- (2) If a term has a meaning in the Taxation Administration Act, it has the same meaning in this Act unless the contrary intention appears in this Act.

Note: Under the *Taxation Administration Act 2003* section 3(2), this Act is to be read with that Act as if they formed one Act.

- (3) If this Act requires duty to be paid within a period, the duty is due for payment, for the purposes of the Taxation Administration Act, on the last day of that period.

**5. GST and value or consideration**

In ascertaining the value of anything or the consideration for anything, there is to be no discount for the amount of GST (if any) payable on the supply of that thing.

**6. Family relationships**

In determining whether a person is a family member of, or related to, another person —

- (a) an illegitimate person is to be treated as the legitimate child of that person's parents; and
- (b) it is irrelevant whether a relationship is of the whole or half-blood, or whether it is a natural relationship or a relationship established by a written law.

**7. The term “wound up”**

- (1) A reference to being wound up is —
- (a) in the case of a corporation — to it being wound up in accordance with its constitution (so far as it has a constitution that deals with its winding up) and in accordance with any law for the time being applicable; and
  - (b) in the case of a unit trust scheme — to it being terminated in accordance with the provisions of the trust deed or any other document constituting the scheme and in accordance with any law for the time being applicable.
- (2) A winding up begins —

- (a) in the case of a corporation — when the winding up is taken to begin under the Corporations Act; and
- (b) in the case of a unit trust scheme —
  - (i) when any circumstance or event occurs, or any time arrives, that, because of the trust deed or other document constituting the scheme, requires the scheme to be wound up; or
  - (ii) when the holders of units issued under the scheme pass a resolution directing the trustee to wind up the scheme; or
  - (iii) when the trustee decides to wind up the scheme; or
  - (iv) when a court orders that the scheme be wound up,whichever happens first.

**8. Notes in the text**

A note included in this Act is explanatory and is not part of this Act.

## **Chapter 2 — Transfer duty**

### **Part 1 — Preliminary**

#### **9. Terms used in this Chapter**

In this Chapter, unless the contrary intention appears —

*concessional rate* of duty means a rate set out in Schedule 2 Division 2;

*conditional agreement* has the meaning given in section 87;

*consideration* has a meaning affected by section 30;

*de facto partner of 2 years*, in relation to a person, means a person who is living in a de facto relationship with the person and has lived on that basis with the person for at least 2 years;

*de facto partners of 2 years* means 2 de facto partners of 2 years who are living in a de facto relationship with each other;

*declaration of trust* means any declaration (other than by a will) that any identified property vested or to be vested in the person making the declaration is or is to be held in trust for the person or persons, or the purpose or purposes, mentioned in the declaration although the beneficial owner of the property, or the person entitled to appoint the property, may not have joined in or assented to the declaration;

*disposition*, in relation to a share, has the meaning given in section 63;

*dutiable value* has the meaning given in Part 4 Division 5;

*duty* means duty under this Chapter;

*entity* has the meaning given in section 152;

*exempt transaction* means a dutiable transaction on which duty is not chargeable;

*exploration amount* has the meaning given in section 13;

*Family Court Act* means the *Family Court Act 1997*;

*farm-in agreement* has the meaning given in section 13;

***farming land conditional agreement*** has the meaning given in section 88;

***general conditional agreement*** means any conditional agreement other than the following —

- (a) a farming land conditional agreement;
- (b) a mining tenement conditional agreement;
- (c) an off-the-plan conditional agreement;
- (d) a subdivision conditional agreement;

***interest in a discretionary trust*** has the meaning given in section 60;

***managed investment scheme*** has the meaning given in the Corporations Act section 9;

***mining tenement conditional agreement*** has the meaning given in section 89;

***new dutiable property*** has the meaning given in section 17;

***off-the-plan conditional agreement*** has the meaning given in section 90;

***partnership acquisition*** has the meaning given in section 72;

***partnership interest*** has the meaning given in section 74;

***person liable to pay duty***, in respect of a dutiable transaction, has the meaning given in section 20;

***right*** has the meaning given in section 16;

***scheme property***, in relation to a managed investment scheme, has the meaning given to that term in the Corporations Act in relation to a registered scheme;

***simultaneous put and call option*** has the meaning given in section 44;

***special dutiable property*** has the meaning given in section 18;

***subdivision conditional agreement*** has the meaning given in section 91;

***surrender*** includes the following —

- (a) abandonment;
- (b) abrogation;
- (c) cancellation;
- (d) extinguishment;
- (e) forfeiture;
- (f) redemption;
- (g) relinquishment;

**taker in default** has the meaning given in section 54;

**terminated on relevant grounds**, in relation to a conditional agreement, has the meaning given in section 87(3);

**transfer** includes assignment and exchange;

**trust acquisition** has the meaning given in section 55;

**trust surrender** has the meaning given in section 56;

**unconditional**, in relation to a conditional agreement, has the meaning given in section 87(4);

**unencumbered value** has the meaning given in section 36;

**Western Australian business** has the meaning given in section 79;

**Western Australian business asset** has the meaning given in section 79.

## **Part 2 — Imposition of transfer duty**

### **10. Transfer duty imposed**

Duty is imposed on dutiable transactions.



## Part 3 — Dutiable transactions and dutiable property

### Division 1 — Dutiable transactions

#### 11. The term “dutiable transaction”

- (1) Subject to subsection (2), any of the following is a *dutiable transaction* —
- (a) a transfer of dutiable property;
  - (b) an agreement for the transfer of dutiable property, whether conditional or not;
  - (c) a declaration of trust over dutiable property;
  - (d) a vesting of dutiable property —
    - (i) by, or expressly authorised by, statute law of this or another jurisdiction, whether inside or outside Australia; or
    - (ii) by, or as a consequence of, a court order of this or another jurisdiction, whether inside or outside Australia;
  - (e) a foreclosure of a mortgage over dutiable property;
  - (f) an acquisition of new dutiable property, on its creation, grant or issue;
  - (g) a surrender of special dutiable property;
  - (h) a trust acquisition or trust surrender;
  - (i) a partnership acquisition;
  - (j) a farm-in agreement.
- (2) The following transactions are not *dutiable transactions* —
- (a) a transaction the subject of which is a right if no consideration is paid, or agreed to be paid, for the transaction;
  - (b) a transfer of, or an agreement for the transfer of, a lease if no consideration is paid, or agreed to be paid, for the transfer or agreement;

- (c) a transfer of, or an agreement for the transfer of, a security interest, if the consideration for the transfer, or agreement, is equal to or greater than the market value of the security interest;
- (d) a transaction the subject of which is a unit in a unit trust scheme;
- (e) a transaction prescribed as an excluded transaction for the purposes of this section.

**12. Vesting of property in Western Australia by statute law — section 11(1)(d)(i)**

- (1) Without limiting section 11(1)(d)(i), property is vested under statute law if the law vests the property in an entity that the law states is the successor in law of, continuation of or same entity as, the entity in which the property was previously vested.
- (2) However, property is not vested under statute law on the registration of a company under the Corporations Act Chapter 5B Part 5B.
- (3) The merger of a corporation (*company A*) with and into another corporation (*company B*) in circumstances where neither subsection (4) nor subsection (5) applies is taken to be a vesting of the property in Western Australia of company A in company B by statute law.
- (4) A merger of corporations (the *merging corporations*) in circumstances where another corporation (*company C*) results as a consequence of the merger is taken to be a vesting of the property in Western Australia of the merging corporations in company C by statute law.
- (5) A merger of corporations (the *merging corporations*) with and into each other in circumstances where each of the merging corporations continues in existence is taken to be a vesting in the merging corporations, jointly, of 50% (in value) of the property in Western Australia of the merging corporations by statute law.

**13. The term “farm-in agreement” — section 11(1)(j)**

- (1) A reference to a farm-in agreement is to an agreement between —
  - (a) an owner of a mining tenement, or a person who holds a right to exploit a mining tenement; and
  - (b) another person,to the effect that, after the other person expends the exploration amount specified in the agreement —
  - (c) that other person will have —
    - (i) a right to acquire an interest, or an entitlement to an interest, in the mining tenement that is specified in the agreement; or
    - (ii) a right to acquire a right to exploit, or an entitlement to a right to exploit, the mining tenement that is specified in the agreement;and
  - (d) the mining tenement, or the right to exploit the mining tenement, will be held with the person referred to in paragraph (a).
- (2) A reference to an exploration amount in relation to a farm-in agreement means an amount to be expended, after the agreement is made, on exploration or development of the mining tenement carried out after the agreement is made.

**14. Transactions for chattels alone not usually dutiable transactions**

- (1) Subject to subsection (2), a transaction is not a dutiable transaction if the only dutiable property the subject of the transaction is a chattel in Western Australia.
- (2) A transaction referred to in subsection (1) is a dutiable transaction if, under section 37, it is aggregated with a transaction that is a dutiable transaction and the transactions are treated as a single dutiable transaction.

## **Division 2 — Dutiable property**

### **15. The term “dutiable property”**

Any of the following is *dutiable property* —

- (a) land in Western Australia;
- (b) a right;
- (c) a chattel in Western Australia;
- (d) a Western Australian business asset.

### **16. The term “right”**

(1) A reference to a right is to any of the following —

- (a) an option to acquire dutiable property, unless the option is part of a simultaneous put and call option over dutiable property;
- (b) a right of pre-emption for dutiable property;
- (c) a right to acquire dutiable property;
- (d) a right under a joint venture relating to dutiable property of the joint venture;
- (e) a right to exploit dutiable property;
- (f) a right to income from dutiable property;
- (g) a right to the capital growth of dutiable property.

(2) A right exists in relation to dutiable property only if the transfer of the property would be a dutiable transaction.

(3) Without limiting subsection (1), a right includes the following —

- (a) a right under an application under the *Mining Act 1978* for a mining tenement;
- (b) a licence, or a water entitlement under a licence, under the *Rights in Water and Irrigation Act 1914* section 5C;
- (c) any other thing prescribed for the purposes of this section.

**17. The term “new dutiable property”**

- (1) Any of the following is *new dutiable property* —
- (a) land in Western Australia;
  - (b) the following rights —
    - (i) an option to acquire dutiable property, unless the option is part of a simultaneous put and call option over dutiable property;
    - (ii) a right to acquire dutiable property;
    - (iii) any other right prescribed for the purposes of this subsection;
  - (c) in section 81(4) and (5), the following Western Australian business assets —
    - (i) intellectual property;
    - (ii) a restraint of trade arrangement;
    - (iii) a business identity.
- (2) The following are not *new dutiable property* —
- (a) a security interest in dutiable property;
  - (b) a partner’s interest in a partnership;
  - (c) a lease if no consideration is paid, or agreed to be paid, for the grant of the lease;
  - (d) a mining tenement;
  - (e) a licence under the *Petroleum Pipelines Act 1969*;
  - (f) a licence, or a water entitlement under a licence, under the *Rights in Water and Irrigation Act 1914* section 5C;
  - (g) a profit à prendre created under a timber sharefarming agreement under the *Conservation and Land Management Act 1984* or the *Forest Products Act 2000*, unless a profit à prendre had been previously created in respect of a crop of trees to which the agreement applies;

- (h) a plantation interest, created under an agreement under the *Tree Plantation Agreements Act 2003*, unless the interest had been previously created in respect of a plantation to which the agreement applies;
- (i) any other dutiable property prescribed as excluded property for the purposes of this section.

**18. The term “special dutiable property”**

Any of the following is *special dutiable property* —

- (a) a life interest in land;
- (b) a remainder interest in land;
- (c) a lease, if consideration is paid, or agreed to be paid, by the lessor for the surrender of the lease;
- (d) an easement;
- (e) a right of way;
- (f) a mining tenement in whole or in part, if the surrender is made in contemplation of, or as part of an agreement that, the tenement, or the part of the tenement, be granted to, or acquired by, another person;
- (g) a right under an application under the *Mining Act 1978* for a mining tenement;
- (h) any other dutiable property prescribed for the purposes of this section.

**Part 4 — Collection of transfer duty**

**Division 1 — Liability for transfer duty**

**19. When liability for duty arises**

- (1) Subject to subsection (2), liability for duty chargeable on a dutiable transaction described in Schedule 1 column 2, arises at the earlier of —

- (a) the time referred to opposite the transaction in column 3;  
or
  - (b) if the transaction is, or will be, effected by an instrument, when the instrument is executed.
- (2) If a general conditional agreement is terminated on relevant grounds before a transaction record for it is required to be lodged under section 23 then liability for duty does not arise in respect of the general conditional agreement.

**20. Person liable to pay duty**

The person liable to pay duty chargeable on a dutiable transaction described in Schedule 1 column 2 is the person described opposite that transaction in Schedule 1 column 4, unless another person is required under this Chapter to pay the duty.

**21. Joint tenants to be treated as tenants in common in equal shares**

For the purpose of charging duty, joint tenants of dutiable property are taken to hold the dutiable property as tenants in common in equal shares.

**Division 2 — Lodging transaction records**

**22. Transfer duty statement to be made if no instrument**

The person liable to pay duty on a dutiable transaction must make a transfer duty statement in the approved form within the time provided under section 23 for lodging the statement unless the transaction is effected, or evidenced, by an instrument in hard copy form.

Penalty: a fine of \$20 000.

**23. Lodging instrument or statement**

- (1) Subject to subsection (2), the person liable to pay duty on a dutiable transaction must lodge —
- (a) if the transaction is effected by an instrument in hard copy form — that instrument and if there is more than one such instrument, each of them; or
  - (b) if the transaction is not effected by an instrument in hard copy form — an instrument in hard copy form that evidences the transaction and if there is more than one instrument, each of them, or a transfer duty statement for the transaction,

within —

- (c) 2 months after the day on which liability for duty on the transaction arises; or
- (d) in accordance with subsection (3), in respect of an instrument in hard copy form that effects or evidences a general conditional agreement.

Penalty: a fine of \$5 000.

- (2) A person is not required to lodge an instrument in respect of a general conditional agreement in respect of which liability for duty does not arise under section 19(2).
- (3) For the purposes of subsection (1), a person liable to pay duty on a general conditional agreement must lodge the instrument, or instruments, in hard copy form that effect or evidence the agreement within —
- (a) 2 months after the day on which liability for duty on the agreement arose if —
    - (i) the agreement became unconditional within one month after the day on which liability for duty on the agreement arose; or



- (ii) a vendor under the agreement is related (within the meaning given in section 87(5)) to a purchaser under the agreement;

or

- (b) otherwise, whichever is the earlier of —
  - (i) 12 months after the day on which liability for duty on the agreement arose; or
  - (ii) 2 months after the day on which the agreement became unconditional.

#### 24. Form of a dutiable transaction

It does not matter whether a dutiable transaction —

- (a) is effected by an instrument or another way; or
- (b) involves one party, or more than one party.

### Division 3 — Payment of transfer duty

#### 25. Payment of duty

- (1) A person liable to pay duty on a dutiable transaction is to pay the duty within one month after the date of the assessment notice in relation to the dutiable transaction or, if it is later in time —
  - (a) within 12 months after the day on which liability for duty arose, in relation to —
    - (i) a farming land conditional agreement; or
    - (ii) a mining tenement conditional agreement; or
    - (iii) an agreement for the transfer of dutiable property if —
      - (I) the subject of the agreement is, solely or dominantly, farming land within the meaning of section 99(1); and

(II) the completion of the agreement is affected by or subject to an activity that constitutes primary production;

or

- (b) subject to subsection (2), within 2 years after the day on which liability for duty arose, in relation to —
- (i) an off-the-plan conditional agreement; or
  - (ii) a subdivision conditional agreement.

(2) Subsection (1)(b) does not apply in respect of a conditional agreement referred to in that paragraph (the *original agreement*) if, before that agreement is duty endorsed, the person liable to pay duty under that agreement enters into a further dutiable transaction (the *new transaction*) in respect of the dutiable property, or part of the dutiable property, the subject of the original agreement.

(3) A person liable to pay duty under an original agreement must notify the Commissioner of a new transaction in the approved form within 2 months of entering into that transaction.

Penalty: a fine of \$20 000.

#### **Division 4 — Rate of transfer duty**

##### **26. Rate of transfer duty**

- (1) Unless otherwise provided in this Chapter, duty is chargeable —
- (a) by reference to the dutiable value of a dutiable transaction; and
  - (b) at the general rate of duty.
- (2) The general rate of duty, concessional rates of duty and the amount of nominal duty are set out in Schedule 2.

## **Division 5 — Dutiable value**

### **Subdivision 1 — Dutiable value**

**27. Dutiable value of dutiable transactions, unless otherwise provided**

Unless otherwise provided in this Chapter, the dutiable value of a dutiable transaction is —

- (a) the consideration for the dutiable transaction; or
- (b) the unencumbered value of the dutiable property the subject of the transaction when liability for duty on the transaction arises if —
  - (i) there is no consideration for the transaction; or
  - (ii) the consideration cannot be ascertained when liability for duty on the transaction arises; or
  - (iii) the unencumbered value is greater than the consideration for the transaction.

**28. Dutiable value of certain dutiable transactions**

- (1) If the value of a dutiable transaction referred to in section 11(1)(d)(ii) or (e) is stated in a court order the value stated in the order is the dutiable value of the transaction.
- (2) Subject to subsection (1), the dutiable value of a dutiable transaction that is the foreclosure of a mortgage over dutiable property is the unencumbered value of the dutiable property and not the value of the debt secured by the mortgaged property.
- (3) The dutiable value of a dutiable transaction that is the surrender of a lease is the consideration for the surrender of the lease paid or payable by the lessor.
- (4) The dutiable value of a dutiable transaction that is the grant of a lease is the total of the following amounts —
  - (a) the amount of any consideration for the grant of the lease;

- (b) any amount paid or payable under the lease as rent that —
  - (i) is in excess of a fair market rent for the leased property; and
  - (ii) represents an amount paid or payable for the grant of the lease.
- (5) The dutiable value of a dutiable transaction under a discretionary trust that would be a transaction described in section 114(1) or 115 except that —
  - (a) consideration is paid or payable for the transaction; and
  - (b) that consideration is consideration referred to in section 30(1),is that consideration.
- (6) The dutiable value of a dutiable transaction that is a transfer of, or an agreement for the transfer of, dutiable property from the trustee of a superannuation fund on which nominal duty would be chargeable under section 127 but for section 127(b), is the amount by which the unencumbered value of the dutiable property transferred exceeds the value of the member's interest in the superannuation fund.

*[Section 28 amended by No. 30 of 2008 s. 24.]*

**29. Dutiable value of certain dutiable transactions relating to corporation or unit trust scheme property on winding up**

- (1) A reference in this section to a transfer of corporation or unit trust scheme property is to a transfer, or agreement for the transfer, of property (some or all of which is dutiable property) by —
  - (a) the liquidator of the corporation to any of its shareholders in the course of a distribution of its assets as a consequence of the winding up of the corporation; or

- (b) the trustee of a unit trust scheme to any unit holder in the scheme in the course of the winding up of the unit trust scheme.
- (2) The dutiable value of a dutiable transaction that is a transfer of corporation or unit trust scheme property is —
- (a) in relation to a corporation — determined in accordance with the following formula —

$$DV = A \times \frac{X}{Y}$$

where —

DV is the dutiable value;

A is the greater of the following amounts —

- (i) the amount (if any) by which the value, when the winding up begins, of all the assets distributed, or to be distributed, to the shareholder exceeds the value, at that time, of the shareholder's entitlement to the net assets of the corporation; or
- (ii) the amount that is the total of —
- (I) the amount (if any) owing to the shareholder that the shareholder has released the corporation from paying in the relevant period; and
- (II) the amount (if any) of any liability that the shareholder has assumed or discharged on behalf of the corporation in the relevant period;

X is the unencumbered value of all dutiable property the subject of the transfer;

Y is the unencumbered value of all property the subject of the transfer;

and

- (b) in relation to a unit trust scheme — determined in accordance with the following formula —

$$DV = A \times \frac{X}{Y}$$

where —

DV is the dutiable value;

A is the greater of the following amounts —

- (i) the amount (if any) by which the value, when the winding up begins, of all the assets distributed, or to be distributed, to the unit holder exceeds the value, at that time, of the unit holder's entitlement to the net assets held by the trustee of the unit trust scheme as trustee of that trust; or
- (ii) the amount that is the total of —
  - (I) the amount (if any) owing to the unit holder that the unit holder has released the trustee of the unit trust scheme from paying in the relevant period; and
  - (II) the amount (if any) of any liability that the unit holder has assumed or discharged on behalf of the trustee of the unit trust scheme in the relevant period;

X is the unencumbered value of all dutiable property the subject of the transfer;

Y is the unencumbered value of all property the subject of the transfer.

Note: For example, Company X has 2 equal shareholders A and B. The company has total assets of \$800 000, total liabilities of \$100 000 and net assets of \$700 000. The shareholder entitlement of each of A and B is \$350 000.

There are no liquid assets to satisfy the liability and the liquidator distributes the assets subject to the liability. A receives assets of \$450 000 (\$100 000 in excess of A's entitlement) comprising \$400 000 of dutiable property and \$50 000 non-dutiable property and assumes

the whole mortgage. B receives assets comprising dutiable property of \$350 000.

A's duty assessment:

$$\frac{\$100\,000 \text{ (excess entitlement)} \times \$400\,000 \text{ (value of dutiable property)}}{\$450\,000 \text{ (value of all property received)}}$$

Transfer duty is charged on \$88 888.

B's duty assessment:

Nominal duty is charged, as B has received a distribution of assets equal to the shareholder entitlement.

- (3) In subsection (2) —  
*relevant period* means the period beginning on the day that is 12 months before the day on which the winding up begins and ending on the day that the property is transferred.
- (4) Subject to subsection (2), nominal duty is chargeable on a dutiable transaction that is a transfer of corporation or unit trust scheme property if —
- (a) in relation to a transfer of corporation property — the total value of the transaction to the shareholder, when the winding up begins, is equal to or less than the value of the shareholder's entitlement to the net assets of the corporation at that time; or
  - (b) in relation to a transfer of unit trust scheme property — the total value of the transaction to the unit holder, when the winding up begins, is equal to or less than the value of the unit holder's entitlement to the net assets held in the unit trust scheme at that time.
- (5) This section does not apply to a transfer of corporation or unit trust scheme property if the Commissioner is satisfied that the corporation or unit trust scheme is being wound up as a scheme or arrangement, or part of a scheme or arrangement, for which a dominant purpose of any party was the reduction of the duty otherwise chargeable on the transaction.
- (6) In considering whether or not the Commissioner is satisfied for the purposes of subsection (5), the Commissioner may have regard to any of the following in relation to a corporation —

- (a) the duration of the shareholder's shareholding in the corporation;
- (b) whether or not the shareholder held shares in a related corporation of the corporation that owned the property before it was owned by the corporation;
- (c) the period for which the property has been owned by the corporation or a related corporation of the corporation;
- (d) any dealing in shares of the corporation or a related corporation of the corporation by any one or more of the following —
  - (i) the shareholder;
  - (ii) a previous owner of the property;
- (e) whether there is any commercial efficacy to a scheme or arrangement of transactions involving any one or more of the following —
  - (i) the corporation;
  - (ii) the shareholder;
  - (iii) a related corporation of the corporation;
  - (iv) a person that has a substantial holding (within the meaning given in the Corporations Act) in a person referred to in subparagraph (i), (ii) or (iii),  
in relation to the winding up, other than to reduce the duty otherwise chargeable on the transfer;
- (f) whether the transfer is pursuant to a right, attaching to any of the shares in the corporation, to select or receive any particular property of the corporation;
- (g) any other matters the Commissioner considers relevant.



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- (7) In considering whether or not the Commissioner is satisfied for the purposes of subsection (5), the Commissioner may have regard to any of the following in relation to a unit trust scheme —
- (a) the duration of the unit holder's unit holding in the unit trust scheme;
  - (b) whether or not the unit holder held units in a related unit trust scheme that owned the property before it was owned by the trustee of the unit trust scheme;
  - (c) the period for which the property has been owned by the trustee of the unit trust scheme or a related unit trust scheme of the unit trust scheme;
  - (d) any dealing in units of the unit trust scheme or a related unit trust scheme of the unit trust scheme by any one or more of the following —
    - (i) the unit holder;
    - (ii) a previous owner of the property;
  - (e) whether there is any commercial efficacy to a scheme or arrangement of transactions involving any one or more of the following —
    - (i) the trustee of the unit trust scheme;
    - (ii) the unit holder;
    - (iii) a related unit trust scheme,in relation to the winding up, other than to reduce the duty otherwise chargeable on the transfer;
  - (f) whether the transfer is pursuant to a right, attaching to any of the units in the unit trust scheme, to select or receive any particular property held by the trustee of the unit trust scheme as trustee of that trust;
  - (g) any other matters the Commissioner considers relevant.

- (8) For the purposes of subsection (7), unit trust schemes are related if a unit trust holder in one unit trust scheme holds units that provides the holder to an entitlement to the capital of another unit trust scheme if it were to be wound up.

**Subdivision 2 — Consideration**

**30. Consideration for a dutiable transaction**

- (1) The consideration for a dutiable transaction includes —
- (a) the amount of any liabilities assumed under the transaction, including an obligation, whether contingent or otherwise, to pay any unpaid purchase money payable under an agreement for the transfer of dutiable property; and
  - (b) the amount or value of any debt to the extent it is released or extinguished under the transaction.
- (2) If the consideration, or any part of the consideration, for a dutiable transaction on which duty is chargeable consists of an amount payable periodically and the total amount to be paid can be ascertained, the consideration or part of the consideration is the total amount.
- (3) It does not matter whether the consideration for a transaction on which duty is chargeable is paid or given or is required to be paid or given.

**31. Assessment or reassessment if consideration is altered**

- (1) If after an agreement for the transfer of dutiable property is entered into and before the property is transferred —
- (a) the consideration under the agreement is reduced and the reduced consideration is not less than the unencumbered value of the dutiable property when the consideration was reduced; or
  - (b) the consideration under the agreement is reduced because the parties have agreed not to transfer some of the dutiable property previously agreed to be transferred

and the reduced consideration is not less than the unencumbered value of the dutiable property that remained to be transferred when the consideration was reduced,

the Commissioner is to assess or, on the application of the taxpayer, reassess the liability to duty of the agreement in accordance with the reduced consideration.

- (2) Subsection (1) does not apply in respect of an agreement to which section 32 applies.
- (3) If after an agreement for the transfer of dutiable property is entered into and before the property is transferred —
- (a) the consideration under the agreement is reduced and the reduced consideration is less than the unencumbered value of the dutiable property when the consideration was reduced; or
  - (b) the consideration under the agreement is reduced because the parties have agreed not to transfer some of the dutiable property previously agreed to be transferred and the reduced consideration is less than the unencumbered value of the dutiable property that remained to be transferred when the consideration was reduced,

the Commissioner is to assess or, on the application of the taxpayer, reassess the liability to duty of the agreement in accordance with the dutiable value of the agreement being the unencumbered value when the consideration was reduced.

- (4) If after an agreement for the transfer of dutiable property is entered into and before the property is transferred —
- (a) the consideration under the agreement is increased; and
  - (b) the increased consideration is not less than the unencumbered value of the dutiable property when the agreement was entered into,

the Commissioner is to assess or reassess the liability to duty of the agreement in accordance with the increased consideration.

- (5) If after a dutiable transaction is duty endorsed the consideration under the transaction is increased as referred to in subsection (4), the person liable to pay duty must lodge —
- (a) if the increase in consideration is effected by an instrument in hard copy form — that instrument and if there is more than one such instrument, each of them; or
  - (b) if the increase in consideration is not effected by an instrument in hard copy form — an instrument in hard copy form that evidences the increase in consideration and if there is more than one such instrument each of them, or a transfer duty statement for the transaction that shows the increase in consideration,

within 2 months after the day on which consideration under the transaction is increased.

Penalty: a fine of \$20 000.

- (6) Duty is chargeable on a reassessment under this section in relation to a transaction at the same rate and using the same thresholds that applied when liability for duty on the transaction initially arose.

**32. Reassessment if contingent consideration is not paid**

- (1) If an agreement for the transfer of dutiable property is duty endorsed and any part of the consideration under the agreement was dependent on the happening of a future event (the *contingent consideration*) and —
- (a) the contingent consideration has not been paid; and
  - (b) the event did not happen, or did not happen within the time specified for the happening of the event, in an instrument effecting or evidencing the agreement; and
  - (c) either —
    - (i) the event cannot happen in the future; or

- (ii) the time specified for the happening of the event in an instrument effecting or evidencing the agreement has passed or expired;

and

- (d) the taxpayer makes an application for a reassessment under this section in the approved form,

the Commissioner is to reassess the liability to duty of the agreement in accordance with the consideration not including the contingent consideration.

- (2) For the purposes of this section, the Taxation Administration Act section 17 applies as if the original assessment had been made when liability to duty on the agreement arose.
- (3) In this section, a reference to the happening of an event includes a reference to an event not happening.

**33. Reassessment if agreement determined with consideration only partly paid**

- (1) In this section —

*agreement by instalments* means an agreement for the transfer of dutiable property —

- (a) wholly or partly in consideration of the making of 2 or more payments at intervals specified in an instrument effecting or evidencing the agreement; and
  - (b) which is subject to the right of the purchaser or transferee to determine the agreement at any time before the property is transferred on making such of the payments as are due and payable at the time of the determination.
- (2) If, after an agreement by instalments has been duty endorsed, the agreement is determined before the final payment had become due and payable under the agreement, the Commissioner, on the application of the taxpayer, is to reassess the liability to duty of the agreement in accordance with the

consideration paid, or due and payable, when the agreement is determined.

- (3) For the purposes of this section, the Taxation Administration Act section 17 applies as if the original assessment had been made when the determination was made.

**34. Reassessment if option exercised or not renewed**

- (1) If —

(a) after a dutiable transaction that —

- (i) confers on a person the right of an option to acquire dutiable property; and
- (ii) provides for the renewal of that right on one, or more than one, occasion specified in an instrument effecting or evidencing the transaction,

is duty endorsed based on the consideration for the transaction which includes the sum of the amounts paid by way of consideration for the right of the option and the amount or amounts, as the case may be, payable for the renewal or renewals of the option; and

(b) the person on whom the right of the option was conferred under the transaction, before the occurrence of the final occasion specified in an instrument effecting or evidencing the transaction —

- (i) exercised the option; or
- (ii) failed to renew the right of option,

the Commissioner, on the application of the taxpayer, is to reassess the liability to duty of the transaction as if the consideration was an amount equal to the amount paid or payable in respect of any occasion or occasions specified in an instrument effecting or evidencing the transaction that have occurred before the person exercised the option, or failed to renew the right of option.

- (2) For the purposes of this section, the Taxation Administration Act section 17 applies as if the original assessment had been made when the person exercised the option, or failed to renew the right of option.

**35. Credit for duty already paid on option to acquire dutiable property**

If —

- (a) a transaction record for the grant or renewal of an option to acquire dutiable property is duty endorsed; and
- (b) the consideration for the grant or renewal will form part of the consideration for the transaction if the option is exercised; and
- (c) the option is exercised,

the amount of duty payable on the transfer of, or the agreement for the transfer of, dutiable property is to be reduced by the amount of duty paid on the grant or renewal of the option to acquire the property.

Note: For example, consideration is paid for the grant of an option to acquire dutiable property. The transaction provides for the renewal of the right for further consideration.

The transaction also provides that the consideration paid for the grant and renewal of the option forms part of the consideration for the property if the option is exercised.

Duty of \$200 is charged on the total consideration for the grant and renewal of the option (the **first dutiable transaction**).

The option is exercised after the renewal of the option and an agreement for the transfer of dutiable property is entered into for consideration (the **second dutiable transaction**).

The amount of duty payable on the second dutiable transaction is reduced by the amount of duty paid on the first dutiable transaction.

If the duty payable on the second dutiable transaction would be \$2 000, it is reduced by the duty of \$200 paid on the first dutiable transaction. The duty payable on the agreement to transfer the property is therefore \$1 800.

**Subdivision 3 — Unencumbered value**

**36. Unencumbered value of property**

- (1) The *unencumbered value* of property is the value of the property determined without regard to —
- (a) any encumbrance to which the property is subject, whether contingently or otherwise; or
  - (b) any overriding power of revocation or reconveyance; or
  - (c) any scheme or arrangement —
    - (i) that results in the reduction of the value of the property; and
    - (ii) for which a dominant purpose of any party to the scheme or arrangement was, in the opinion of the Commissioner, the reduction of the value of the property.

Note: Example for paragraph (c) —

A owns land that B wishes to purchase. The land is valued at \$1m. Before the purchase, A grants B a 50 year lease of the land. B is not required to pay any rent under the lease. A and B then enter into an agreement for the transfer of the land for \$50 000, being the value of A's interest in the land taking into account that it is subject to the lease to B.

The unencumbered value of the land is determined without regard to the grant of the lease if the Commissioner is of the opinion there is a scheme or arrangement under which A or B's purpose in entering into it was to reduce the value of the land.

- (2) Subsection (1)(c) does not apply to or in respect of a scheme or arrangement that was entered into before 27 December 1996.
- (3) For the purposes of subsection (1)(c), the Commissioner may have regard to —
- (a) the duration of the scheme or arrangement before the dutiable transaction or the relevant transaction concerning the property; and



- (b) whether the scheme or arrangement has been entered into with a related person within the meaning given in section 162; and
  - (c) whether there is any commercial efficacy to the making of the scheme or arrangement other than to reduce duty; and
  - (d) any other matters the Commissioner considers relevant.
- (4) When determining the unencumbered value of property —
- (a) the unencumbered value of an undivided share in the property, whether held jointly or in common, is to be ascertained by multiplying the total unencumbered value of the property by the share expressed as a fraction; and
  - (b) in applying the ordinary principles of valuation —
    - (i) it is to be assumed that a hypothetical purchaser would, when negotiating the price of property, have knowledge of all existing information relating to the property; and
    - (ii) no account is to be taken of any amount that a hypothetical purchaser would have to expend to reproduce, or otherwise acquire a permanent right of access to and use of, existing information relating to property;
- and
- (c) that is land —
    - (i) if the land is the subject of an agreement to transfer, any improvement made to the land at the expense of the purchaser or transferee before the date liability to duty arises on the agreement is to be taken not to have been made to the land; and
    - (ii) if the land is the subject of a transfer, any improvement made to the land at the expense of the transferee before the land is transferred is to be taken not to have been made to the land; and

- (iii) having regard to the use of the land that would best enhance its commercial value; and
- (iv) having regard to commercial advantages (such as goodwill) that —
  - (I) attach to the location or other aspects of the land; and
  - (II) would affect the price that a reasonable purchaser would be willing to pay for the land.

**Subdivision 4 — Miscellaneous**

**37. Aggregation of dutiable transactions**

- (1) Dutiable transactions relating to separate items of dutiable property that together form, evidence, give effect to or arise from what is, substantially one arrangement are to be aggregated and treated as a single dutiable transaction.
- (2) Without limiting subsection (1), unless the Commissioner is satisfied to the contrary, dutiable transactions relating to separate items of dutiable property together form, evidence, give effect to or arise from what is, substantially one arrangement if —
  - (a) the transactions have taken place within 12 months; and
  - (b) in respect of each of the transactions, the person liable to pay duty is the same person (whether that person is the only person liable to pay duty or is liable to pay duty with the same or different persons).
- (3) Dutiable transactions relating to separate items of dutiable property are not to be aggregated under this section unless the transactions to be aggregated —
  - (a) are all chargeable at the same rate of duty; or
  - (b) are all chargeable with nominal duty; or
  - (c) are all exempt transactions.

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- (4) If dutiable transactions are aggregated, then they are to be treated as a single dutiable transaction that took place at the time that the last of the aggregated transactions took place.
- (5) This section does not apply to a dutiable transaction to the extent that it relates to the grant of an option to acquire dutiable property, other than as required under section 34.
- (6) Duty chargeable on the dutiable transaction aggregated under this section is to be —
- (a) assessed on the total of the dutiable values for each of the transactions (calculated as if each transaction was a dutiable transaction) at the time when liability for duty on each transaction arose; and
  - (b) apportioned between the transactions as decided by the Commissioner.
- (7) The amount of duty payable in accordance with this section is to be reduced by the amount of any duty paid on a previous dutiable transaction that is, or previous dutiable transactions that are, aggregated under this section.
- (8) Transactions aggregated and treated as a single dutiable transaction under this section may include a transaction that would not otherwise be a dutiable transaction, and where such a transaction is included, that transaction is taken to be a dutiable transaction and is liable to duty accordingly.

**38. Apportionment**

If a dutiable transaction relates to dutiable property and property that is not dutiable property, duty is chargeable only to the extent that the transaction relates to dutiable property.

**39. Partitions**

(1) For the purposes of this section, a partition occurs when property (some or all of which is dutiable property) that is held by persons jointly (as joint tenants or tenants in common) and beneficially is transferred or agreed to be transferred to one or more of those persons.

(2) The dutiable value of a partition is to be determined in accordance with the following formula —

$$DV = A \times \frac{X}{Y}$$

where —

DV is the dutiable value;

A is the greater of the following amounts —

- (i) the sum of the amounts by which the unencumbered value of the property transferred or agreed to be transferred to a person exceeds the unencumbered value of the interest held by the person in all of the property immediately before the partition; or
- (ii) the sum of any consideration for the partition paid by any of the parties;

X is the unencumbered value of all dutiable property the subject of the partition;

Y is the unencumbered value of all property the subject of the partition.

(3) The minimum amount of duty payable on a transaction that effects a partition is the amount of nominal duty.

Note: For example, A and B own lot 1 which has an unencumbered value of \$400 000 and a boat that has an unencumbered value of \$300 000.

The total value of the property being partitioned is \$700 000 and A and B are each entitled to \$350 000.

A is taking lot 1 by way of partition and the value of that lot exceeds A's entitlement by \$50 000.

A's duty assessment:

$$\frac{\$50\,000 \text{ (excess entitlement)} \times \$400\,000 \text{ (value of dutiable property)}}{\$700\,000 \text{ (value of all property)}}$$

The dutiable value for the transfer of land to A is \$28 571.

#### **40. Exchanges**

Duty is chargeable on any dutiable transactions effecting an exchange of dutiable property for any other dutiable property as if the exchange involved —

- (a) the transfer of the first-mentioned property for consideration equal to the unencumbered value of that property; and
- (b) the transfer of the second-mentioned property for consideration equal to the unencumbered value of that property.

### **Division 6 — No double duty**

#### **41. No double duty — general**

- (1) If a transaction for property constitutes more than one dutiable transaction for the property and the charging of duty on all of the dutiable transactions for the property would result in duty being imposed more than once on the transaction, the Commissioner is to decide the dutiable transaction on which duty is imposed and duty is not chargeable on the other dutiable transaction, or dutiable transactions.
- (2) For the purposes of subsection (1), the Commissioner is to decide the dutiable transaction for the property that is the most applicable dutiable transaction having regard to this Chapter and the sole or dominant purpose of the transaction.

**42. No double duty — particular dutiable transactions**

- (1) Duty is not chargeable on the transfer of dutiable property to a transferee in conformity with an agreement for the transfer of dutiable property if that agreement is duty endorsed.
- (2) Duty is not chargeable on the transfer of dutiable property to a transferee under an agreement for the transfer of dutiable property if —
  - (a) when liability for duty on the agreement arises, the transferee and the purchaser of the property under the agreement are related as referred to in section 43; and
  - (b) the agreement is duty endorsed.
- (3) If an agreement for the transfer of dutiable property is duty endorsed and either, or both, of the following applies —
  - (a) there is a difference in the parties liable to duty under the agreement and the transferees under the transfer, and subsection (2)(a) does not apply;
  - (b) there is a difference between the division of the property between the transferees under the transfer and the division of the property between the parties liable to duty under the agreement, and subsection (2)(a) does not apply,

duty is not chargeable on the transfer of the property except to the extent of the change between the agreement and the transfer.

Note: Example for subsection (3) —

On 1 July, under an agreement for the transfer of dutiable property, A agrees to sell land in Western Australia to B and C as tenants in common in the undivided shares of 90/100 to B and 10/100 to C for \$100 000.

At settlement, under the transfer, B and a new party, D are tenants in common in equal shares.

Transfer duty is chargeable on the transfer of the property only to the extent of the change in the interests in the property between the agreement and the transfer.

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Transfer duty would be chargeable on the transfer of the property on 50/100 X \$100 000, which is \$50 000 i.e. 10/100 from C to D and 40/100 from B to D.

- (4) If an agreement for the transfer of dutiable property is duty endorsed, duty is not chargeable on the subsequent transfer of the property if, when liability for duty on the agreement arose, the person named in the instrument effecting, or evidencing, the agreement as the purchaser was acting as the agent of the transferee of the subsequent transfer.
- (5) If —
- (a) an agreement for the transfer of dutiable property is duty endorsed; and
  - (b) the person named in the agreement as the purchaser entered into the agreement with the intention that the property would be transferred to —
    - (i) a corporation that the person intended to be incorporated; or
    - (ii) a dormant corporation, the shares in which the person intended to be acquired,and that property will not be held by the corporation as trustee of a trust; and
  - (c) when liability for duty on the agreement arose, action was being taken to —
    - (i) incorporate the corporation referred to in paragraph (b)(i); or
    - (ii) acquire the shares in the corporation referred to in paragraph (b)(ii),

duty is not chargeable on the subsequent transfer of the property to the corporation referred to in paragraph (b)(i) or (ii).

(6) In subsection (5) —

***dormant corporation*** means a corporation that, since it was incorporated —

- (a) has not had any assets or liabilities other than share capital for subscriber shares or shares issued to replace subscriber shares of the same value on their redemption; and
- (b) has not been party to an agreement or a beneficiary or trustee of a trust; and
- (c) has not issued or sold any shares or rights relating to shares other than subscriber shares, rights relating to subscriber shares or shares issued to replace subscriber shares of the same value on their redemption.

(7) Duty is not chargeable on a transfer of dutiable property by the vendor under an agreement for the transfer of the property that results in the property becoming scheme property for a managed investment scheme if —

- (a) the Commissioner is satisfied that a managed investment scheme has been, or is to be, established by means of an offer to subscribe to the scheme made to the public; and
- (b) the Commissioner is satisfied that before the establishment of the scheme —
  - (i) the person named as purchaser in an agreement for the transfer of dutiable property entered into that agreement; or
  - (ii) the person promoting the scheme arranged for that agreement to be entered into by the person named in the agreement,with the intention that the property concerned would become scheme property; and
- (c) the agreement provides to the effect that, if the scheme is not established, the agreement is terminated; and
- (d) the agreement is duty endorsed.



- (8) If —
- (a) there is an agreement for the transfer of dutiable property (the *first agreement*); and
  - (b) after the first agreement takes place, one or more dutiable transactions over all or part of the dutiable property the subject of the first agreement takes place (the *intervening transactions*); and
  - (c) to give effect to the first agreement and the intervening transactions, one or more transfers of dutiable property (the *transfers*) are effected by one or more parties to the first agreement and the intervening transactions; and
  - (d) the first agreement and the intervening transactions are duty endorsed,

duty is not chargeable on the transfers.

Note: Example for subsection (8) —

On 1 July, under an agreement for the transfer of dutiable property, A agrees to sell land in Western Australia to B for \$100 000. Settlement is to take place on 31 July. On 7 July, under an agreement for transfer, B agrees to sell the land to C for \$120 000. Again, settlement is to take place on 31 July. Before 31 July, B directs A, that at settlement, A transfer the land to C.

The agreement between A and B is the first agreement. The agreement between B and C is the intervening transaction. Transfer duty is not chargeable on the transfer from A to C if the first agreement and intervening transactions are duty endorsed.

- (9) Duty is not chargeable on a transfer to a trustee of dutiable property subject to a declaration of trust in respect of the same dutiable property if the declaration of trust is duty endorsed, or under subsection (11) duty is not chargeable on the declaration of trust.
- (10) Duty is not chargeable on a declaration of trust that declares the same trusts as those upon and subject to which the same dutiable property was transferred, or agreed to be transferred, to the person declaring the trust if the transfer, or agreement, is duty endorsed.

- (11) Duty is not chargeable on a declaration of trust if —
- (a) the declaration of trust supersedes another declaration of trust which is duty endorsed and declares the same trusts as were declared under the superseded declaration of trust; and
  - (b) the beneficiary under the declaration of trust is the same as under the superseded declaration of trust; and
  - (c) the dutiable property subject to the declaration of trust —
    - (i) is wholly or substantially the same as the property that was the subject of the superseded declaration of trust at the time of the declaration of the superseded declaration of trust; or
    - (ii) represents the proceeds of re-investment of property that was the subject of the superseded declaration of trust at the time of the declaration of the superseded declaration of trust; or
    - (iii) is property to which both subparagraphs (i) and (ii) apply.
- (12) Duty is not chargeable on a transfer of dutiable property resulting from a dutiable transaction referred to in section 11(1)(d) if the vesting of the dutiable property is duty endorsed.
- (13) Duty is not chargeable on a transfer of dutiable property in accordance with a foreclosure order if the foreclosure order is duty endorsed.
- (14) Duty is not chargeable on a transfer of dutiable property in accordance with a partnership acquisition if the partnership acquisition is duty endorsed.
- (15) Duty is not chargeable on a transfer of, or an agreement for the transfer of, an interest in a mining tenement under a farm-in agreement if —
- (a) the farm-in agreement is duty endorsed; and

- (b) the exploration amount under the agreement has been expended.
- (16) Duty is not chargeable in respect of a dutiable transaction prescribed, on such condition and under such circumstances as are prescribed, if the dutiable transaction is one of 2 dutiable transactions that relate to the same transaction for the same dutiable property.

**43. Purchaser and transferee related for the purpose of section 42(2)(a)**

- (1) For the purposes of section 42(2)(a), the following persons are related to a purchaser who is an individual —
- (a) the purchaser's spouse or de facto partner;
  - (b) a parent or remoter lineal ancestor of —
    - (i) the purchaser; or
    - (ii) the purchaser's spouse or de facto partner;
  - (c) a child or remoter lineal descendant of —
    - (i) the purchaser; or
    - (ii) the purchaser's spouse or de facto partner;
  - (d) a sibling of —
    - (i) the purchaser; or
    - (ii) the purchaser's spouse or de facto partner;
  - (e) a spouse or de facto partner of a sibling mentioned in paragraph (d);
  - (f) a corporation if —
    - (i) the purchaser is the sole shareholder of the corporation; or
    - (ii) the purchaser is a shareholder of the corporation and is related (within the meaning of this section) to each of the other shareholders;
  - (g) a trustee of a unit trust scheme in the trustee's capacity as trustee of the unit trust scheme if —

- (i) the purchaser is the sole unit holder in the unit trust; or
  - (ii) the purchaser is a unit holder in the unit trust and is related (within the meaning of this section) to each of the other unit holders.
- (2) For the purposes of section 42(2)(a), a person is related to a purchaser that is a corporation if —
  - (a) the person is the sole shareholder of the corporation; or
  - (b) the person is a shareholder of the purchaser and, if the person were a purchaser, would be related (within the meaning of this section) to each of the other shareholders.
- (3) For the purposes of section 42(2)(a), a person is related to a purchaser that is the trustee of a unit trust scheme if —
  - (a) the person is the sole unit holder in the unit trust scheme; or
  - (b) the person is a unit holder in the unit trust scheme and, if the person were a purchaser, would be related (within the meaning of this section) to each of the other unit holders.
- (4) However, persons referred to in subsection (1), (2) or (3) are not related for the purpose of section 42(2)(a) if the dutiable property the subject of the transaction is to be held by a person on behalf of another person (the *beneficiary*) —
  - (a) as the trustee of a discretionary trust; or
  - (b) as a trustee of a unit trust scheme, other than as referred to in subsection (1)(g); or
  - (c) as a trustee other than a trustee referred to in paragraph (a) or (b), unless the beneficiary and the trustee are also related.

## Part 5 — Application of this Chapter to certain transactions

### Division 1 — Simultaneous put and call options

#### Subdivision 1 — Terms used in this Division

#### 44. Terms used in this Division

(1) In this Division —

*call option* means the right referred to in subsection (2)(a);

*option property* means —

- (a) the dutiable property to which the call option applies; or
- (b) if the put option applies only to a part of the dutiable property to which the call option applies, that part of the dutiable property;

*put option* means the right referred to in subsection (2)(b).

(2) Subject to subsection (3), a put option and a call option constitute a simultaneous put and call option if, at the same time —

- (a) a person (**A**) has a right to require another person (**B**) to sell dutiable property to A, or to a person that has an agreement, arrangement or understanding with A relating to the dutiable property; and
- (b) B has a right to require A, or a person referred to in paragraph (a), to purchase —
  - (i) the dutiable property; or
  - (ii) a part of the dutiable property; or
  - (iii) property that includes the dutiable property, from B.

(3) For the purposes of subsection (2), it is irrelevant when the call option or the put option is exercisable.

**Subdivision 2 — Simultaneous put and call options**

**45. Call option of simultaneous put and call option to be taken to be an agreement for the transfer of the option property**

- (1) When a simultaneous put and call option comes into existence, the call option is taken to be an agreement for the transfer of the option property to A and is liable to duty accordingly, unless —
  - (a) the call option and the put option are only for the purpose of obtaining finance or making other financial arrangements; or
  - (b) the call option and the put option form part of a scheme of call options and put options given by the proprietors of a business that —
    - (i) are only for the purpose of facilitating the continuation of the business by one or some of the proprietors (the *continuing proprietor or proprietors*); and
    - (ii) are not exercisable except on the occurrence of an event specified in them that would cause the continuing proprietor or proprietors to seek to acquire the interest of another of the proprietors.
- (2) In subsection (1)(b) —

*proprietor* means —

  - (a) in the case of a partnership — a partner; or
  - (b) in the case of a company — a shareholder; or
  - (c) in the case of a unit trust scheme — a unit holder; or
  - (d) in any other case — a person the Commissioner determines to be a proprietor of the business.
- (3) For the purposes of subsection (1), it is irrelevant whether or not the call option is assigned as referred to in section 49.

**46. Dutiable value of simultaneous put and call option**

The dutiable value of a dutiable transaction referred to in section 45 is —

- (a) the sum of —
  - (i) the amount paid by way of consideration for the granting of the call option in respect of the option property; and
  - (ii) the amount payable in the event of the call option being exercised in respect of the option property;

or

- (b) the unencumbered value of the option property at the time when liability for duty on the transaction arises, if —
  - (i) there are no amounts paid or payable under paragraph (a); or
  - (ii) the amounts paid or payable under paragraph (a) cannot be ascertained when liability for duty on the transaction arises; or
  - (iii) the unencumbered value is greater than the sum of the amounts paid or payable under paragraph (a).

**47. Credit if duty paid on a dutiable transaction referred to in section 45**

If —

- (a) a transaction record for a dutiable transaction referred to in section 45 for option property is duty endorsed (the *first dutiable transaction*); and
- (b) as a result of the call option or the put option being exercised either, or both, of the following occur (the *second dutiable transaction*) —
  - (i) an agreement for the transfer of the option property is executed;

- (ii) the option property is transferred,

the amount of duty payable on the second dutiable transaction is to be reduced by the amount of duty paid on the first dutiable transaction.

**48. Assessment or reassessment if simultaneous put and call option not exercised or assigned**

- (1) If, in relation to a call option of a simultaneous put and call option taken to be an agreement for the transfer of option property under section 45 —
  - (a) the call option and the put option of the simultaneous put and call option —
    - (i) both expire without being exercised; or
    - (ii) are rescinded or cancelled by agreement, or either is rescinded or cancelled and the other expires without being exercised;and
  - (b) the call option has not been assigned as referred to in section 49,

this Division does not apply and the Commissioner, on the application of the taxpayer, is to assess or reassess the liability to duty of the call option.

- (2) For the purposes of this section, the Taxation Administration Act section 17 applies as if the original assessment had been made when the call option and the put option had both expired or were rescinded or cancelled.

**Subdivision 3 — Assignment of call option**

**49. Assignment of call option to be taken to be an agreement for the transfer of the option property**

- (1) If, in respect of a simultaneous put and call option —
  - (a) A has assigned the call option to another person (C) so that C has a right to require B to sell the option property



to C, or to a person that has an agreement, arrangement or understanding with C relating to the property; and

- (b) B has a right to require C, or a person referred to in paragraph (a), to purchase the option property from B,

the assignment of the call option is taken to be an agreement for the transfer of the option property to C and is liable to duty accordingly.

- (2) If subsection (1) applies, section 45 does not apply in relation to the rights of C and B referred to in subsection (1).

### **50. Dutiable value of assignment of call option**

The dutiable value of a dutiable transaction referred to in section 49 is —

- (a) the sum of —
- (i) the amount paid by way of consideration for the assignment of the call option in respect of the option property; and
  - (ii) the amount payable in the event of the exercise of the call option in respect of the option property;

or

- (b) the unencumbered value of the option property at the time when liability for duty on the transaction arises, if —
- (i) there are no amounts paid or payable under paragraph (a); or
  - (ii) the amounts paid or payable under paragraph (a) cannot be ascertained when liability for duty on the transaction arises; or
  - (iii) the unencumbered value is greater than the sum of the amounts paid or payable under paragraph (a).

**51. Credit if duty paid on a dutiable transaction referred to in section 49**

If —

- (a) a transaction record for a dutiable transaction referred to in section 49 for option property is duty endorsed (the *first dutiable transaction*); and
- (b) as a result of the put option, or the assigned call option, being exercised either, or both, of the following occur (the *second dutiable transaction*) —
  - (i) an agreement for the transfer of the option property is executed;
  - (ii) the option property is transferred,

the amount of duty payable on the second dutiable transaction is to be reduced by the amount of duty paid on the first dutiable transaction.

**52. Assessment or reassessment if assigned call option not exercised or further assigned**

- (1) If, in relation to an assignment of a call option taken to be an agreement for the transfer of the option property under section 49 —
  - (a) the call option and the put option of the simultaneous put and call option —
    - (i) both expire without being exercised; or
    - (ii) are rescinded or cancelled by agreement, or either is rescinded or cancelled and the other expires without being exercised;
  - and
  - (b) the call option has not been further assigned as referred to in section 49,

this Division does not apply and the Commissioner, on the application of the taxpayer, is to assess or reassess the liability to duty of the assignment of the call option.

- (2) For the purposes of this section, the Taxation Administration Act section 17 applies as if the original assessment had been when the call option and the put option had both expired or were rescinded or cancelled.

**Division 2 — Discretionary trust acquisitions and surrenders**

**Subdivision 1 — Terms used in this Division**

**53. Property held by a partnership or trust**

A reference to a partnership or trust holding property is a reference to the holding of the property by the partners for the partnership or the trustees under the trust.

**54. The term “taker in default”**

A reference to a taker in default is to a beneficiary of a discretionary trust that has an interest in the discretionary trust in default of an appointment by the trustee, or trustees, of the discretionary trust.

**55. The term “trust acquisition”**

A reference to a trust acquisition is to the acquisition by a taker in default of an interest in a discretionary trust that holds —

- (a) dutiable property; or
- (b) an indirect interest in dutiable property.

**56. The term “trust surrender”**

A reference to a trust surrender is to the surrender by a taker in default of an interest in a discretionary trust that holds —

- (a) dutiable property; or
- (b) an indirect interest in dutiable property.

**57. When a discretionary trust holds an indirect interest in dutiable property**

- (1) A discretionary trust holds an indirect interest in dutiable property if an entity linked to the trustee of the discretionary trust is entitled to dutiable property.
- (2) Section 156 applies where it is necessary to determine whether an entity is linked to a trustee of a discretionary trust for the purposes of subsection (1) or section 59(a)(ii) or 61(b).
- (3) In applying section 156, the trustee of the discretionary trust is the main entity, despite section 152(2).

**Subdivision 2 — Trust acquisitions and trust surrenders**

**58. Acquiring an interest in a discretionary trust**

A person acquires an interest in a discretionary trust if the person —

- (a) becomes a taker in default of the discretionary trust —
  - (i) on creation of the discretionary trust; or
  - (ii) otherwise, other than because of the surrender of another person's interest in the discretionary trust for which duty has been paid or in respect of which duty was not chargeable;

or

- (b) is a taker in default of the discretionary trust whose interest increases, other than because of the surrender of another person's interest in the discretionary trust for which duty has been paid or in respect of which duty was not chargeable.

**59. Dutiable value of a trust acquisition or trust surrender**

The dutiable value of a trust acquisition or trust surrender is —

- (a) the consideration for the acquisition or surrender so far as the consideration relates to dutiable property —

- (i) held by the discretionary trust; or
  - (ii) to which an entity linked to the trustee of the discretionary trust is entitled;
- or
- (b) the value of the taker in default's interest in the discretionary trust at the time when liability for duty on the transaction arises if —
    - (i) there is no consideration for the acquisition or surrender; or
    - (ii) the consideration cannot be ascertained when liability for duty on the transaction arises; or
    - (iii) the value of the taker in default's interest is greater than the consideration for the acquisition or surrender.

**60. Interest in a discretionary trust of a taker in default**

- (1) A reference to an interest in a discretionary trust of a taker in default in the discretionary trust is —
  - (a) the percentage of —
    - (i) the trust income; or
    - (ii) the trust property,that the taker in default would receive in default of appointment by the trustee; or
  - (b) if the taker in default would receive both trust income and trust property in default of appointment by the trustee, the percentage of either the trust income or the trust property that the taker in default would receive that is the greater.
- (2) Despite subsection (1), if the Commissioner considers it appropriate to do so, an interest in a discretionary trust of a taker in default is to be determined by the Commissioner taking into account the rights or entitlements of the taker in default under the trust.

**61. Value of a taker in default's interest in a discretionary trust**

For the purposes of section 59(b), the value of the taker in default's interest in a discretionary trust is the total of the following amounts —

- (a) in respect of the dutiable property held by the discretionary trust — an amount determined by applying the interest in the discretionary trust of the taker in default to the unencumbered value, when liability for duty on the transaction arises, of the dutiable property;
- (b) in respect of the dutiable property to which an entity linked to the trustee of the discretionary trust is entitled — an amount determined by applying the interest in the discretionary trust of the taker in default to an amount determined by applying section 157 as if a reference in that section —
  - (i) to land were a reference to dutiable property; and
  - (ii) to the main entity were a reference to the trustee of the discretionary trust.

Note: For example, if the taker in default had a 50% interest in the trust and the trust held dutiable property of \$1 000 000, the value of the taker in default's interest would be \$500 000.

**62. When a trust acquisition or trust surrender is not a dutiable transaction**

- (1) Duty is not chargeable on a trust acquisition or trust surrender if the trust acquisition or trust surrender is a result of —
  - (a) a person becoming or ceasing to be a member of a class of beneficiaries of the discretionary trust because of the birth or death of the person; or
  - (b) a person becoming or ceasing to be a member of a class of beneficiaries of the discretionary trust because of the marriage or divorce of the person, or the beginning or ending of a de facto relationship of the person.
- (2) In subsection (1)(b) —

*de facto relationship* means a de facto relationship that comes within the Family Court Act section 205Z(1)(a), (b) or (c).

### Division 3 — Corporate trustees

#### Subdivision 1 — Terms used in this Division

#### 63. Terms used in this Division

In this Division —

*authorised trustee corporation* means a corporation declared under the Corporations Act to be an authorised trustee corporation for any provision of that Act;

*disposition*, in relation to a share, includes —

- (a) a transfer or other disposition of the share; and
- (b) the allotment or issue of the share; and
- (c) the redemption, surrender or cancellation of the share; and
- (d) the variation, abrogation or alteration of a right pertaining to the share with respect to the capital of the corporate trustee; and
- (e) any means by which a share is disposed of or the rights of its holder are diminished;

*share* means —

- (a) a share or stock of an unlisted corporation; or
- (b) an interest in such a share or stock;

*unlisted corporation* means a corporation not listed on an official list of a prescribed financial market.

#### 64. Reference to property held by trustees

A reference to a trustee of a discretionary trust holding property is a reference to the holding of the property by the trustee under the trust.

**65. The term “corporate trustee”**

A reference to a corporate trustee is to the trustee of a discretionary trust if that trustee —

- (a) is an unlisted corporation, other than an authorised trustee corporation; and
- (b) holds —
  - (i) dutiable property; or
  - (ii) an indirect interest in dutiable property.

**66. When a corporate trustee holds an indirect interest in dutiable property**

- (1) A corporate trustee holds an indirect interest in dutiable property if an entity linked to the trustee is entitled to dutiable property.
- (2) Section 156 applies where it is necessary to determine whether an entity is linked to a corporate trustee for the purposes of subsection (1).
- (3) In applying section 156, the corporate trustee is the main entity, despite section 152(2).

**Subdivision 2 — Disposition of shares in a corporate trustee**

**67. Share disposition taken to be an agreement for the transfer of trust property**

- (1) A disposition of a share in a corporate trustee is taken to be an agreement for the transfer of dutiable property and is liable to duty accordingly if it is a transaction, or part of a transaction, that is a scheme or arrangement, or part of a scheme or arrangement, that results in a change in the beneficial ownership of dutiable property held directly or indirectly by the corporate trustee of a discretionary trust.
- (2) Subsection (1) does not apply to the disposition of a share by which the personal representative of a deceased person disposes



of a share to a beneficiary in the administration of the estate of the deceased.

**68. Dutiable value of a transaction referred to in section 67**

- (1) The dutiable value of a transaction referred to in section 67 is the proportion of the dutiable value of the dutiable property held, directly or indirectly, by the corporate trustee at the time of the share disposition that is equivalent to the proportion of the total issued capital of the corporate trustee represented by the share.
- (2) The dutiable value of the dutiable property held indirectly by a corporate trustee is an amount determined by applying section 157 as if a reference in that section —
  - (a) to land were a reference to dutiable property; and
  - (b) to the main entity were a reference to the corporate trustee.
- (3) In determining the proportion of the total issued capital of a corporate trustee represented by a share for the purposes of subsection (1), the respective rights and obligations pertaining to the share and the other shares in the capital of the corporate trustee are to be taken into account.

**69. Person liable to pay duty on a disposition of a share**

The person liable to pay duty on a disposition of a share in a corporate trustee referred to in section 67 is each person that holds a share in the corporate trustee.

**Division 4 — Partnerships**

**Subdivision 1 — Terms used in this Division**

**70. The term “dutiable property”**

In this Division, other than section 78 —

*dutiable property* means each of the following —

- (a) land in Western Australia;
- (b) a chattel in Western Australia.

*[Section 70 amended by No. 17 of 2010 s. 12.]*

**71. References to property held by a partnership or trust**

A reference to a partnership or trust holding property is a reference to the holding of the property by the partners for the partnership or the trustees under the trust.

**72. The term “partnership acquisition”**

A reference to a partnership acquisition is to a person acquiring a partnership interest in a partnership that holds —

- (a) land in Western Australia; or
- (b) an indirect interest in land in Western Australia.

*[Section 72 amended by No. 17 of 2010 s. 13.]*

**73. When a partnership holds an indirect interest in land in Western Australia**

- (1) A partnership holds an indirect interest in land in Western Australia if an entity linked to the partnership is entitled to land in Western Australia.
- (2) Section 156 applies where it is necessary to determine whether an entity is linked to a partnership for the purposes of subsection (1) or section 76(a)(ii) or 77(1)(b).
- (3) In applying section 156, the partnership is the main entity, despite section 152(2).

**74. Partner’s partnership interest**

A reference to a partner’s partnership interest is to the greater of —

- (a) the percentage of the capital of the partnership the partner has contributed or is obliged to contribute; or

- (b) the percentage of the losses of the partnership the partner is required to bear.

**Subdivision 2 — Acquiring partnership interests**

**75. Acquiring a partnership interest**

- (1) A person acquires a partnership interest if a partnership is formed or the person's partnership interest increases.
- (2) Without limiting subsection (1) —
  - (a) a partnership may be formed on —
    - (i) a change in the membership of a partnership; or
    - (ii) the merger of 2 or more partnerships;or
  - (b) a person's partnership interest may increase —
    - (i) under the terms of a partnership agreement; or
    - (ii) on the retirement of a partner from a partnership; or
    - (iii) on a change in the terms of a partnership agreement effecting a change in the interests of the partners.

**76. Dutiable value of a partnership acquisition**

The dutiable value of a partnership acquisition is —

- (a) the consideration for the acquisition so far as the consideration relates to dutiable property —
  - (i) held by the partnership; or
  - (ii) to which an entity linked to the partnership is entitled;or
- (b) the value of the partnership interest the subject of the acquisition at the time when liability for duty on the transaction arises if —

- (i) there is no consideration for the acquisition; or
- (ii) the consideration cannot be ascertained when liability for duty on the transaction arises; or
- (iii) the value of the partnership interest is greater than the consideration for the acquisition.

**77. Value of a partnership interest**

- (1) For the purpose of section 76(b), the value of a partnership interest the subject of a partnership acquisition is the total of the following amounts —
  - (a) in respect of the dutiable property held by the partnership — an amount determined by applying the partner's partnership interest to the unencumbered value, when liability for duty on the transaction arises, of the dutiable property;
  - (b) in respect of the dutiable property to which an entity linked to the partnership is entitled — an amount determined by applying the partner's partnership interest to an amount determined by applying section 157 as if a reference in that section —
    - (i) to land were a reference to dutiable property; and
    - (ii) to the main entity were a reference to the partnership.
- (2) In determining the value of a partnership interest the subject of a new partner's partnership acquisition on formation of a partnership, the value of any dutiable property the partner contributed to the partnership on its formation is to be disregarded.
- (3) For the purposes of subsection (2), a person is a new partner only if —
  - (a) the person was not in partnership with any partners of the partnership immediately before its formation; or

- (b) on the person's partnership acquisition, the person becomes a partner in an additional partnership to a partnership in which the person is a partner with any partners of the additional partnership immediately before its formation.
- (4) However, subsection (3)(b) does not apply to a person that makes a partnership acquisition in a partnership that was formed because of a change in the membership of the partners of another partnership (the *old partnership*) if the person had a partnership interest in the old partnership.
- (5) In determining the value of a partner's partnership interest the subject of an acquisition that is an increase in the partner's partnership interest, the partner's partnership interest is taken to be the increase in the partner's partnership interest.

**78. Dutiable value of a transaction reduced for transfer of dutiable property to a partner on retirement or dissolution**

- (1) This section applies if, on a person (the *retiring partner*) ceasing to be a partner in a partnership because of the retiring partner's retirement from the partnership or its dissolution, dutiable property of the partnership is transferred or agreed to be transferred to the retiring partner.
- (2) The dutiable value of a transfer of, or an agreement for the transfer of, dutiable property to the retiring partner must be reduced by an amount calculated by applying the retiring partner's partnership interest in the partnership to the unencumbered value of the dutiable property immediately before the retirement or dissolution.

Note: Example for subsection (2) —

A, B and C are in partnership in equal shares. B had a one-third partnership interest immediately before retiring. On B ceasing to be a partner, A and C transfer land to B. The dutiable value of the land acquired by B will be reduced by one-third.

**Division 5 — Western Australian business assets**

**Subdivision 1 — Terms used in this Division**

**79. Terms used in this Division**

In this Division —

***business asset*** means any of the following —

- (a) goodwill of a business;
- (b) a restraint of trade arrangement for a business;
- (c) a business identity;
- (d) a business licence;
- (e) a right of a business under an uncompleted agreement to supply commodities or provide services;
- (f) intellectual property of a business;
- (g) things that a business has that are in the nature of rent rolls and client lists,

but does not include a trade debt;

***business identity*** means a business name, trading name or internet domain name, or a right to use a business name, trading name or internet domain name;

***business licence*** means a licence, permit or authority which is issued, granted or given under —

- (a) a written law and which is required by a written law to be held by a person carrying out an activity for gain or reward; or
- (b) a law of the Commonwealth and which is required by a law of the Commonwealth to be held by a person carrying out an activity in Western Australia for gain or reward;

***circuit layout right*** means an exclusive right under the *Circuit Layouts Act 1989* (Commonwealth) for an eligible layout under that Act;

**commodities** includes land, money, credit and goods and any interest in them;

**franchise arrangement** means an agreement or other arrangement under which a person (the **franchisor**) that carries on a business authorises or permits another person (the **franchisee**) —

- (a) to engage in the business of producing, supplying or providing commodities or services, or both, at a place other than the place of business of the franchisor as long as the franchisee does so under —
  - (i) a stated marketing, business or technical plan or system; and
  - (ii) a common format or common procedure, or both;and
- (b) to use a mark or common trade name in such a way that the business carried on by the franchisee is or is capable of being identified by the public as being substantially associated with the mark or name identifying, commonly connected with or controlled by the franchisor or a person that is a related person to the franchisor;

**intellectual property** means —

- (a) a patent, trademark, industrial design, copyright, registered design, plant breeder right or circuit layout right; or
- (b) anything else that has the following characteristics —
  - (i) it is in the nature of a strategy, process, procedure, mode of operation or way of working that enables a commodity or service to be produced, supplied or provided or that enhances the production, supply, provision or quality of a commodity or service;

- (ii) it was created, devised or developed to be used for business purposes or, having been created, devised or developed for other purposes, has been applied, adapted or modified for use for business purposes;

or

- (c) a right to use or exploit —
  - (i) anything mentioned in paragraph (a) or (b); or
  - (ii) an adaptation or modification of anything mentioned in paragraph (a) or (b);

***plant breeder right*** means —

- (a) a plant breeder's right under the *Plant Breeder's Rights Act 1994* (Commonwealth); or
- (b) a plant breeder's right corresponding to a right mentioned in paragraph (a);

***related person*** has the meaning given in section 162;

***restraint of trade arrangement*** for a business means a restraint of trade arrangement which, in the opinion of the Commissioner, enhances or is likely to enhance the value of the business;

***Western Australian business***, in relation to a dutiable transaction, means —

- (a) a business that, in the year preceding the transaction has —
  - (i) been carried on in or from Western Australia; or
  - (ii) supplied commodities or provided services to customers in Western Australia;

or

- (b) carrying out an activity for gain or reward under a licence referred to in paragraph (a) of the definition of "business licence"; or



- (c) carrying out an activity in Western Australia for gain or reward under a licence referred to in paragraph (b) of the definition of “business licence”;

*Western Australian business asset* means a business asset of a Western Australian business.

### **Subdivision 2 — Particular transactions involving business assets**

#### **80. Transactions involving business licences that are to be taken to be an agreement to transfer a Western Australian business asset**

When a person agrees to relinquish a business licence held by that person, or agrees not to apply for a renewal of such a business licence, so that it, or another business licence in respect of the same kind of activity, can be issued, granted or given to another person that agreement is taken to be an agreement to transfer a Western Australian business asset and is liable to duty accordingly.

#### **81. Transactions for particular Western Australian business assets that are not dutiable transactions**

- (1) The transfer, or an agreement for the transfer, of a Western Australian business asset from a franchisor in accordance with a franchise arrangement, is not a dutiable transaction unless another person has relinquished, or agreed not to extend, that business asset or a business asset of the same kind so that the franchisee could acquire that business asset.
- (2) A transaction is not a dutiable transaction if the only dutiable property the subject of the transaction is intellectual property of a business.
- (3) A transaction referred to in subsection (2) is a dutiable transaction if, under section 37, it is aggregated with a transaction that is a dutiable transaction for a Western Australian business asset and the transactions are treated as a single dutiable transaction.

- (4) For the purposes of section 11(1)(f), new dutiable property that is a Western Australian business asset referred to in section 17(1)(c) is not acquired unless subsection (5) applies.
- (5) If a person —
- (a) carries on, or has carried on, a business (the *first business*); and
  - (b) creates intellectual property, a restraint of trade arrangement or a business identity related to the first business for the purpose of the carrying on of the first business or another business by another person,

then, subject to subsections (2) and (3), the creation of the intellectual property, restraint of trade arrangement or business identity is the acquisition by that other person of a Western Australian business asset of the first business.

**Subdivision 3 — Dutiable value of dutiable transactions for business assets**

**82. Dutiable value of dutiable transactions for business assets**

The dutiable value of a dutiable transaction for a business asset is to be determined —

- (a) under section 83 if —
  - (i) the business asset is a business licence referred to in paragraph (b) of the definition of that term in section 79; and
  - (ii) the asset is of a Western Australian business referred to in paragraph (c) of the definition of that term in section 79;
- or
- (b) under section 84 if the business asset is a business licence referred to in paragraph (a) of the definition of that term in section 79; or
- (c) under section 85 or 86, as is relevant; or

- (d) if the Commissioner decides that it is not appropriate to determine the dutiable value of a dutiable transaction for business assets under any of those sections, on such other basis as the Commissioner decides is appropriate.

**83. Dutiable value of certain business licences required by a law of the Commonwealth**

The dutiable value of a dutiable transaction referred to in section 82(a) is the greater of the following —

- (a) the value of the business licence so far as it authorises the carrying out of an activity in Western Australia; or
- (b) the portion of the consideration for the transaction that relates to the carrying out of an activity in Western Australia under the authority of the business licence.

**84. Dutiable value of business licences required by a law of Western Australia**

The dutiable value of a dutiable transaction referred to in section 82(b) is —

- (a) the consideration for the dutiable transaction; or
- (b) the unencumbered value of the business licence the subject of the transaction at the time when liability for duty on the transaction arises if —
  - (i) there is no consideration for the transaction; or
  - (ii) the consideration cannot be ascertained when liability for duty on the transaction arises; or
  - (iii) the unencumbered value is greater than the consideration for the transaction.

**85. Head office or principal place of business in Western Australia**

The dutiable value of a dutiable transaction for a business asset where the principal place of business or head office of the

Western Australian business is in Western Australia is to be determined using the following formula —

$$DV = \frac{CUV \times (TS - IS)}{TS}$$

where —

DV is the dutiable value;

CUV is —

- (a) the consideration for the transaction; or
- (b) the unencumbered value of the business asset the subject of the transaction if —
  - (i) there is no consideration for the transaction; or
  - (ii) the consideration cannot be ascertained when liability for duty on the transaction arises; or
  - (iii) the unencumbered value is greater than the consideration for the transaction;

TS is the gross amount (in Australian dollars) of all the commodities supplied and services provided by the business in the last 3 completed financial years preceding the transaction;

IS is the gross amount (in Australian dollars) of the commodities supplied and services provided by the business to customers elsewhere in Australia in the last 3 completed financial years preceding the transaction.

**86. Head office or principal place of business in another State**

The dutiable value of a dutiable transaction for a business asset where neither the principal place of business nor the head office of the Western Australian business is in Western Australia is to be determined using the following formula —

$$DV = \frac{CUV \times WAS}{TS}$$

where —

DV is the dutiable value;

CUV is —

- (a) the consideration for the transaction; or
- (b) the unencumbered value of the business asset the subject of the transaction if —
  - (i) there is no consideration for the transaction; or
  - (ii) the consideration cannot be ascertained when liability for duty on the transaction arises; or
  - (iii) the unencumbered value is greater than the consideration for the transaction;

TS is the gross amount (in Australian dollars) of all the commodities supplied and services provided by the business in the last 3 completed financial years preceding the transaction;

WAS is the gross amount (in Australian dollars) of the commodities delivered and services provided by the business to customers in Western Australia in the last 3 completed financial years preceding the transaction.

### **Division 6 — Conditional agreements**

#### **87. Conditional agreements**

- (1) A reference to a conditional agreement is to an agreement for the transfer of dutiable property where —
  - (a) completion of the agreement is conditional on the happening of one or more of the events described in subsection (2) and specified in an instrument effecting or evidencing the agreement; and
  - (b) the parties to the agreement do not have control over the happening of the event, except to the extent that they are required under the agreement to use their best endeavours to secure the happening of the event; and
  - (c) a person related to a party to the agreement does not have control over the happening of the event,

unless —

- (d) it is a call option of a simultaneous put and call option taken to be an agreement for the transfer of option property under section 45; or
  - (e) it is an agreement that is subject to a condition which, in the opinion of the Commissioner, constitutes a scheme or arrangement, or part of a scheme or arrangement, the sole or dominant purpose of which is to defer the payment of duty.
- (2) The following events are specified for the purposes of subsection (1)(a) —
- (a) the obtaining by a purchaser under the agreement of a satisfactory private taxation ruling by the Commissioner of Taxation of the Commonwealth as to the consequences of the agreement with respect to taxation under a law of the Commonwealth;
  - (b) the obtaining, to the satisfaction of a purchaser under the agreement, of funds or of approval to obtain funds to finance the purchase;
  - (c) the obtaining by a purchaser under the agreement of a satisfactory building inspection, geotechnical or environmental report from a third party in relation to the property the subject of the agreement;
  - (d) the obtaining by a vendor under the agreement of the consent of the Minister responsible for administering the *Land Administration Act 1997* to transfer a lease of leasehold land to a purchaser under the agreement;
  - (e) the authorisation of the payment to a purchaser under the agreement of a first home owner grant under the *First Home Owner Grant Act 2000* in relation to a property the subject of the agreement;
  - (f) the obtaining by a purchaser under the agreement of a licence to trade or the grant of a franchise;

- (g) where the subject of the agreement is a commercial property, the obtaining by a vendor under the agreement of the renewal of an existing lease of the property;
  - (h) the obtaining from the landlord of a leasehold business by a vendor of the business the subject of the agreement, of a new lease, or of an assignment of the current lease to a purchaser under the agreement;
  - (i) the sale of another property by a purchaser under the agreement;
  - (j) the obtaining by a vendor under the agreement of —
    - (i) the approval under the *Planning and Development Act 2005* section 135 for the subdivision of the land, or part of the land, the subject of the agreement; or
    - (ii) the registration of a strata/survey-strata plan under the *Strata Titles Act 1985*;
  - (k) the obtaining by a purchaser under the agreement of approval from a regulatory body;
  - (l) the results of the making of due diligence inquiries by a purchaser under the agreement where the results are to be measured against objective criteria set out in an instrument that effects or evidences the agreement;
  - (m) the issue of a certificate of title (however described) for the property the subject of the agreement;
  - (n) the obtaining by a purchaser of consent required under the *Mining Act 1978* for the transfer of a mining tenement the subject of the agreement;
  - (o) a prescribed event.
- (3) A conditional agreement is terminated on relevant grounds if —
- (a) it is not carried into effect because the condition to which it is or was subject cannot be fulfilled for reasons that are not within the control of a party to the

- agreement, or a person that is related to a party to the agreement; and
- (b) duty is not chargeable on the agreement under section 107 because it is a cancelled transaction.
- (4) A conditional agreement becomes unconditional when the condition to which its completion was subject is fulfilled.
- (5) For the purposes of subsections (1)(c) and (3)(a), the following persons are related persons —
- (a) joint owners of property;
  - (b) individuals who are in partnership with each other;
  - (c) participants in the same joint venture;
  - (d) family members;
  - (e) related corporations;
  - (f) a trustee and another trustee if there is any beneficiary common to the trusts of which they are trustees, whether the beneficiary has a vested share or is contingently entitled or may benefit from a discretionary trust;
  - (g) an individual and a corporation, if the individual is a majority shareholder, director or secretary of the corporation or a related corporation;
  - (h) an individual and a trustee, if the individual is a beneficiary under the trust of which the trustee is a trustee, whether the beneficiary has a vested share or is contingently entitled or is a potential beneficiary under a discretionary trust;
  - (i) a corporation and a trustee if —
    - (i) the corporation or a majority shareholder, director or secretary of the corporation is a beneficiary under the trust of which the trustee is a trustee; or



- (ii) a related corporation to the corporation is a beneficiary under the trust of which the trustee is a trustee,  
whether the beneficiary has a vested share or is contingently entitled or is a potential beneficiary under a discretionary trust.
- (6) A reference in subsection (5)(d) to a family member of a person is to —
- (a) a child or remoter lineal descendant of the person; or
  - (b) a parent or remoter lineal ancestor of the person; or
  - (c) a brother or sister of the person or remoter lineal descendant of a brother or sister of the person; or
  - (d) an aunt or uncle of the person; or
  - (e) the spouse, former spouse, de facto partner or former de facto partner of the person; or
  - (f) a family member referred to in paragraph (a), (b), (c) or (d) of a person referred to in paragraph (e); or
  - (g) the spouse or de facto partner of a person mentioned in paragraph (a), (b), (c) or (d),
- or more than one of them.

**88. The term “farming land conditional agreement”**

A reference to a farming land conditional agreement is to a conditional agreement the subject of which is solely or dominantly farming land within the meaning of section 99(1).

**89. The term “mining tenement conditional agreement”**

A reference to a mining tenement conditional agreement is to a conditional agreement the subject of which is a mining tenement.

**90. The term “off-the-plan conditional agreement”**

A reference to an off-the-plan conditional agreement is to a conditional agreement that includes provision —

- (a) for the sale of a strata lot; and
- (b) for the construction on the strata lot, after liability for duty on the agreement arises, of a building for commercial, residential or mixed use purposes.

**91. The term “subdivision conditional agreement”**

A reference to a subdivision conditional agreement is to a conditional agreement for the sale of land conditional on the obtaining by a purchaser under the agreement of approval from the relevant authorities to the subdivision of the land, or part of the land, the subject of the agreement.

**Part 6 — Exemptions, nominal duty and concessions**

**Division 1 — Exemptions**

**Subdivision 1 — Exemptions for public and governmental purposes**

**92. Declaration of public authorities as exempt bodies**

- (1) The Minister may declare a public authority to be an exempt body for the purposes of this Subdivision.

Note: There are other exempt bodies. See the definition of “exempt body” in section 3.

- (2) The Minister may withdraw a declaration made under subsection (1).
- (3) The Minister is to publish notice of the making or withdrawal of a declaration in the *Gazette*.

**93. No duty if an exempt body would be solely liable**

Duty is not chargeable on a dutiable transaction to which an exempt body is a party if the exempt body is the only party that



- (4) The amount of duty payable by any party referred to in subsection (1)(b) is the amount AD determined under subsection (3).

Note: For example, an exempt body and another party acquire dutiable property as tenants in common. The exempt body acquires 40 of 100 undivided shares and the other party acquires 60 of 100 undivided shares. But for this section the transfer duty chargeable on the transaction would be \$3 000. Under the operation of this section the amount of duty payable on the transaction is calculated as follows:

$$\$3000 - \left( \$3000 \times \frac{40}{100} \right) = \$3000 - \$1200 = \$1800$$

This amount (i.e. \$1 800) is the amount of transfer duty payable by the other party.

**95. Transactions for charitable or similar public purposes are exempt transactions**

Duty is not chargeable on a dutiable transaction that has been entered into or occurred for charitable or similar public purposes.

**Subdivision 2 — Certain transactions between spouses or de facto partners**

**96. Terms used in this Subdivision**

In this Subdivision —

*lot* means either of the following —

- (a) a lot within the meaning given in the *Land Tax Assessment Act 2002* Glossary clause 2;
- (b) 2 or more such lots in the same ownership —
  - (i) on which is constructed a residence, parts of which stand on each of the lots; and
  - (ii) which have common boundaries and which in the opinion of the Commissioner should be treated as a single lot for the purpose of this Subdivision;

*residence* includes flat, apartment or other residential unit.



**Subdivision 3 — Family farm transactions**

**99. Terms used in this Subdivision**

(1) In this Subdivision —

*exempt family farm transaction* has the meaning given in section 102;

*family member* has the meaning given in section 100;

*farming land* means land in Western Australia that is used solely or dominantly for the purpose of primary production;

*farming property* means —

- (a) farming land; or
- (b) other dutiable property that is used solely or dominantly in connection with the business of primary production;

*transferee* has the meaning given in section 101;

*transferor*, in respect of a dutiable transaction the subject of which is farming property, means —

- (a) an individual (other than a trustee) from whom the property is, or is to be, acquired; or
- (b) if the property was held by a trustee (other than a trustee of a unit trust scheme or a discretionary trust) immediately before the transaction took place, an individual on whose behalf, and at whose direction, the trustee carried out the transaction.

(2) For the purposes of this Subdivision, a person controls a discretionary trust if —

- (a) the person is in a position to influence, either directly or indirectly, the vesting of the whole or any part of the capital of the trust property, or of the whole or any part of the income from the trust property; or
- (b) in a case where a corporation is in a position to influence, either directly or indirectly, the vesting of the whole or any part of the capital of the trust property, or of the whole or any part of the income from that trust



property under the trust is a family member of the transferor; or

- (c) a trustee of a discretionary trust, if —
  - (i) all the persons who have a share or interest in the trust property, whether vested or contingent, or who may benefit from the discretionary trust are family members of the transferor; and
  - (ii) the transferor does not control the discretionary trust.

**102. Transactions between family members for farming property that are exempt family farm transactions**

- (1) A reference in this Subdivision to an exempt family farm transaction is to a dutiable transaction to the extent to which the subject of the transaction is farming property which, as a result of the transaction is, or is to be, acquired by a transferee or transferees.
- (2) A transaction is an exempt family farm transaction only if —
  - (a) each transferor was using the farming property in the business of primary production immediately before the transaction took place; and
  - (b) when liability to duty on the transaction arose, each transferee intends to continue to use the farming property in the business of primary production.
- (3) It is irrelevant for the purposes of subsection (2) whether a transferor was using, or a transferee intends to continue to use, the farming property in the business of primary production —
  - (a) personally; or
  - (b) through a trust, corporation or partnership (an *entity*) to which the transferor or transferee, as is relevant, is related; or
  - (c) through a combination of entities to which the transferor or transferee, as is relevant, is related.





- (i) every other person who holds such a share or interest in that property, or who may benefit from that trust, is a family member of the transferor; and
    - (ii) the transferor does not control the trust;
  - or
  - (c) the transferee holds units in a unit trust scheme and every other person who holds a unit in that unit trust scheme is a family member of the transferor; or
  - (d) the transferee is a shareholder in a corporation in which every other shareholder is a family member of the transferor; or
  - (e) the transferee is a partner in a partnership in which every other partner is a family member of the transferor.
- (6) For the purposes of subsection (2), a farming property is being used in the business of primary production even if —
- (a) some, but not all, of the farming land of that property is leased to another person; and
  - (b) under the lease, the lessee is using the leased land solely or dominantly for the purposes of silviculture or reforestation.

**103. No duty on exempt family farm transactions**

Duty is not chargeable on an exempt family farm transaction.

**104. No exemption for subsequent transactions for the same farming property within 5 years**

Despite section 103, duty is chargeable on a transaction (a *subsequent transaction*) that would otherwise be an exempt family farm transaction if —

- (a) duty was not charged on an exempt family farm transaction (the *first transaction*); and
- (b) liability to duty on the subsequent transaction arose —



subject of the exempt family farm transaction held by the trust when the event took place.

**106. Application for an exemption under this Subdivision**

- (1) An application for assessment or reassessment under this Subdivision must be —
  - (a) made in the approved form jointly by all of the transferees; and
  - (b) accompanied by such transaction record for the transaction as is required to be lodged under section 23.
- (2) For the purposes of this Subdivision, the Taxation Administration Act section 17 applies as if —
  - (a) despite subsection (1) of that section, a person is not entitled to apply for a reassessment more than 12 months after the day on which the transaction was duty endorsed; and
  - (b) despite subsection (4) of that section, the Commissioner may make a reassessment on an application only if the application was made within that time.

**Subdivision 4 — Other exempt transactions**

**107. Cancelled transactions**

- (1) In this section —

*cancelled transaction* has the meaning given in subsection (2);  
*replacement transaction*, in relation to a cancelled transaction, means another dutiable transaction that —

  - (a) is between all of the same parties as the parties to the cancelled transaction; and
  - (b) is substantially similar in effect to the cancelled transaction; and
  - (c) in the opinion of the Commissioner, is a scheme or arrangement, or part of a scheme or arrangement, for



- (4) Duty is chargeable on a cancelled transaction if the transaction has been cancelled so that a replacement transaction or a subsale transaction can be entered into.
- (5) The Commissioner, on the application of a taxpayer, is to reassess the liability to duty of a dutiable transaction that is not liable to duty because of this section.
- (6) An application for assessment or reassessment under this section in relation to a cancelled transaction must be —
  - (a) in the approved form; and
  - (b) accompanied by such transaction record for the transaction as is required to be lodged under section 23.

**108. Bankruptcy transactions**

- (1) In this section —  
*bankruptcy trustee* means —
  - (a) the Official Trustee in Bankruptcy; or
  - (b) a registered trustee,under the *Bankruptcy Act 1966* (Commonwealth).
- (2) Duty is not chargeable on a dutiable transaction —
  - (a) that is a vesting of dutiable property in a bankruptcy trustee; or
  - (b) that is the transfer, or agreement for the transfer, of dutiable property for no consideration to a former bankrupt from the estate of the former bankrupt.

**109. Transactions involving representatives of another country**

Duty is not chargeable on a transfer of, or an agreement for the transfer of, dutiable property to a representative in Australia of the Government of another country, a foreign consul, or a trade commissioner of another country, if that property is intended for official use.



- (c) Crown land the subject of a conditional purchase lease referred to in the *Land Administration Act 1997* Schedule 2 clause 26; or
  - (d) Crown land the subject of a conditional purchase lease referred to in the *Land Administration Act 1997* Schedule 2 clause 27; or
  - (e) war service land referred to in the *Land Administration Act 1997* Schedule 2 clause 30; or
  - (f) Crown land referred to in the *Land Administration Act 1997* Schedule 2 clause 32.
- (4) Duty is not chargeable on a transfer of, or an agreement for the transfer of, or the grant of the fee simple or other less estate in Crown land pursuant to —
- (a) a request under the *Land Administration Act 1997* section 212; or
  - (b) an agreement under the *Land Administration Act 1997* section 255; or
  - (c) an award under the *Land Administration Act 1997* section 256; or
  - (d) the *Land Administration Act 1997* section 257.
- (5) Duty is not chargeable on a transfer of the fee simple in Crown land —
- (a) pursuant to a request under the *Public Works Act 1902* section 45A; or
  - (b) granted under the *Public Works Act 1902* section 80,
- as in force immediately before the commencement of the *Acts Amendment (Land Administration) Act 1997*.
- (6) Duty is not chargeable on a transaction —
- (a) that is the passing of any property that occurs by operation of the *Strata Titles Act 1985* section 21I or 21M or an order under section 103P of that Act; or





discretionary trust in the exercise by the trustee of a power of appointment over the property if —

- (a) there is, or will be, no consideration for the transfer or agreement; and
- (b) the beneficiary is an individual who does not intend to hold the property as agent, trustee or otherwise on behalf of any other person; and
- (c) at the time when the trustee acquired the property the beneficiary was named or described in the instrument which created the power of appointment as a beneficiary or as a member of a class of beneficiaries in favour of which the trustee was empowered by that instrument to appoint the property; and
- (d) evidence of the acquisition by the trustee, as trustee, of the property is produced to the Commissioner.

**116. Transfer of, or agreement for the transfer of, dutiable property to a beneficiary**

- (1) Nominal duty is chargeable on a transfer of, or an agreement for the transfer of, dutiable property by the trustee of a trust, other than a unit trust scheme or a discretionary trust, to a beneficiary of the trust if —
    - (a) there is no consideration for the transfer or agreement; and
    - (b) the transfer, or agreement, is under and in conformity with the trusts contained in the declaration of trust.
  - (2) Subsection (1) applies only if the property the subject of the agreement or transfer is —
    - (a) wholly or substantially the same as the property the subject of the declaration of trust and the declaration of trust is —
      - (i) duty endorsed; or
      - (ii) an exempt transaction;
- or



- (3) This section applies whether or not there has been a change in the legal description of the dutiable property between the purchase of the property by the apparent purchaser and the transfer to the real purchaser.

Note: For example, a change in the legal description of dutiable property in the issuing of a new certificate of title following a subdivision of land.

**118. Transfer to and from a trustee**

- (1) In this section —

*trustee* means a trustee of a trust, other than a unit trust scheme or a discretionary trust, and includes a trustee appointed in substitution for a trustee or a trustee appointed in addition to a trustee or trustees.

- (2) Nominal duty is chargeable on a transfer of dutiable property that is —

- (a) made by a transferor to a trustee to be held solely as trustee for the transferor without any change in the beneficial ownership of the dutiable property; or
- (b) made by way of re-transfer to the transferor, if no other person has had a beneficial interest in the property between the transfer to the trustee and the re-transfer.

- (3) This section applies whether or not there has been a change in the legal description of the dutiable property.

Note: For example, a change in the legal description of dutiable property in the issuing of a new certificate of title following a subdivision of land.

*[Section 118 amended by No. 30 of 2008 s. 25.]*

**119. Dutiable transactions related to changes in trustees and managed investment schemes**

- (1) In this section —

*new trustee* means a trustee appointed in substitution for a trustee or a trustee appointed in addition to a trustee or trustees;

***old public unit trust*** means an undertaking, together with the prescribed interests to which it relates and the trustee or representative and the management company in relation to those interests, to which the Corporations Law Chapter 11 Part 11.2 Division 11 (sections 1451 to 1465) applied by reason of section 1452 of that Law;

***responsible entity*** has the meaning given in the Corporations Act section 9.

- (2) A reference in this section to an old public unit trust that has become a managed investment scheme is a reference to an old public trust that has become, in accordance with the Corporations Law Chapter 11 Part 11.2 Division 11 (sections 1451 to 1465), a managed investment scheme that is a registered scheme.
- (3) Nominal duty is chargeable on a transfer, or agreement for the transfer, of dutiable property —
  - (a) to a trustee as a consequence of the retirement of a trustee or the appointment of a new trustee if the transfer is not a scheme or arrangement, or part of a scheme or arrangement, for conferring an interest, in relation to the trust property, on a new trustee or any other person, whether as a beneficiary or otherwise, to the detriment of the beneficial interest or potential beneficial interest of any person; or
  - (b) as a consequence of the retirement of a responsible entity of a managed investment scheme or the appointment of a new responsible entity of a managed investment scheme if the only beneficial interest acquired by a person in relation to the property as a result of the transfer is a beneficial interest acquired by the replacement or new responsible entity solely because of its appointment as responsible entity for the scheme; or
  - (c) as a consequence of an old public unit trust that has become a managed investment scheme if, after the

transfer takes place, the members of the managed investment scheme have the same beneficial interests in the scheme's property as they had in the old public unit trust's property before the instrument was executed.

- (4) Nominal duty is chargeable on a declaration of trust —
  - (a) made by a trustee in respect of dutiable property that, immediately before the trust is declared, is held by the trustee as trustee of an old public unit trust that has become a managed investment scheme the members of which have the same beneficial interests in the property as they had in the old public unit trust property before the trust was declared; and
  - (b) to hold the dutiable property on trust for the responsible entity of the managed investment scheme.
- (5) Nominal duty is chargeable on a transfer, or agreement for the transfer, of dutiable property —
  - (a) from a responsible entity of a managed investment scheme to a custodian or agent of the responsible entity as custodian or agent of the scheme in which the transferor held the dutiable property; or
  - (b) from a custodian of the responsible entity of a managed investment scheme as custodian or agent of the scheme to the responsible entity of the managed investment scheme in which the transferor held the property.
- (6) Nominal duty is chargeable on a vesting of dutiable property by, or expressly authorised by, statute law (as referred to in section 11(1)(d)(i)) in a trustee or responsible entity if subsection (3)(a) or (b) or (5)(b) would apply in respect of the dutiable transaction if it were a transfer of dutiable property.

**120. Transfer by way of security**

- (1) Nominal duty is chargeable on a transfer of dutiable property if —



***eligible rollover fund*** means an entity that is an eligible rollover fund in accordance with the Commonwealth Act section 242 and includes an entity the trustee of which is satisfied will be an eligible rollover fund within 12 months after the day on which a liability to duty arises;

***pooled superannuation trust*** means an entity that is a pooled superannuation trust in accordance with the Commonwealth Act section 44;

***superannuation fund*** means a complying approved deposit fund, a complying superannuation fund, an eligible rollover fund or a pooled superannuation trust.

**122. Transfer of, or agreement for the transfer of, dutiable property to a superannuation fund for consideration**

- (1) Nominal duty is chargeable on a transfer of, or an agreement for the transfer of, dutiable property by a person (the ***transferor***) to the trustee of a superannuation fund (the ***trustee***) where —
- (a) there is, or will be, consideration for the transfer or agreement; and
  - (b) either of the following applies —
    - (i) only the transferor can be a member of the superannuation fund;
    - (ii) the property can only be held in the superannuation fund specifically for the transferor so that the property cannot be pooled with the contributions or other assets of another member and no other member can obtain an interest in the property;
- and
- (c) the property can only be held in the superannuation fund to be provided to the transferor as a retirement benefit.

- (2) In subsection (1) —

***property*** means the dutiable property referred to in subsection (1) or, if the property is sold so that the proceeds can





- (2) An application for assessment or reassessment under this section must be made in the approved form.

**125. Transfer from one superannuation fund to another**

- (1) In this section —

*relevant transfer* means —

- (a) a transfer of dutiable property from a trustee of an entity, or a custodian of a trustee of an entity, to the trustee of another entity, or to a custodian of a trustee of another entity; or
- (b) a transfer of dutiable property from a trustee of an entity to a custodian of a trustee of the entity, or from a custodian of a trustee of an entity to a trustee of the entity;

*superannuation fund* does not include a pooled superannuation trust.

- (2) Nominal duty is chargeable on a relevant transfer that occurs in connection with a person —
- (a) ceasing to be a member of, or otherwise ceasing to be entitled to benefits in respect of, a superannuation fund or an entity that was a superannuation fund within the period of 12 months before the day the property is transferred; and
  - (b) becoming a member of, or otherwise becoming entitled to benefits in respect of, another entity (the *chosen entity*) that is also a superannuation fund or that, in the opinion of the trustees of both entities concerned, will be a superannuation fund before the end of the period of 12 months after the day on which the property is transferred,

and for which there is no consideration.

- (3) An application for assessment or reassessment under this section —



- (b) if the relevant entity is not a superannuation fund when liability to duty arises — is to be accompanied by a statutory declaration from a trustee (or a director of a trustee that is a corporation) of the relevant entity stating that, in the opinion of the trustee (or director), the relevant entity will be a superannuation fund before the end of the period of 12 months after the day on which the property is transferred.

**127. Transfer of, or agreement for the transfer of, dutiable property from superannuation fund to member**

Nominal duty is chargeable in respect of a transfer of, or an agreement for the transfer of, dutiable property from the trustee of a superannuation fund to a member of the fund if —

- (a) the member was a member when the property first became part of the fund; and
- (b) the unencumbered value of the property transferred does not exceed the value of the member's interest in the fund; and
- (c) there is, or will be, no consideration for the transfer or agreement.

*[Section 127 amended by No. 9 of 2010 s. 4.]*

**Subdivision 3 — Transactions related to the break-up of a marriage or de facto relationship**

Note: Section 113 provides for an exemption from duty to the extent that a dutiable transaction is effected by a matrimonial instrument or a de facto relationship instrument.

**128. Terms used in this Subdivision**

- (1) In this Subdivision —

*child* means a person who is under 18 years of age;

*de facto relationship* means a de facto relationship that comes within the Family Court Act section 205Z(1)(a), (b) or (c);



- (a) a maintenance agreement registered under the Family Law Act section 86 or approved under the Family Law Act section 87;
- (b) a financial agreement made under the Family Law Act section 90B, 90C or 90D;
- (c) a splitting agreement;
- (d) an order of a court under the Family Law Act.

**130. The term “de facto relationship instrument”**

A reference to a de facto relationship instrument is to any of the following instruments to the extent it deals with de facto relationship property —

- (a) a financial agreement or a former financial agreement, within the meaning of those terms in the Family Court Act section 205T;
- (b) an order of a court under —
  - (i) the Family Court Act Part 5A; or
  - (ii) a law of the Commonwealth or another State or Territory that substantially corresponds to the Family Court Act Part 5A.

**131. Transactions effected by or in accordance with a matrimonial instrument or a de facto relationship instrument**

- (1) Nominal duty is chargeable on a dutiable transaction to the extent that it is —
  - (a) effected by a matrimonial instrument referred to in section 129(a) or (d); or
  - (b) in accordance with a matrimonial instrument referred to in section 129(b) or (c),if —



- (b) the transaction was effected by, or is in accordance with —
  - (i) a matrimonial instrument or a de facto relationship instrument that came into existence; or
  - (ii) an instrument that became a matrimonial instrument or de facto relationship instrument, within the period of 12 months after the day on which liability to duty on the transaction arose,

the Commissioner, on the application of the taxpayer, is to reassess the liability to duty of the transaction under section 131.

- (2) For the purposes of this section, the Taxation Administration Act section 17 applies as if the original assessment had been made when the instrument became a matrimonial instrument or a de facto relationship instrument.

**133. Evidence as to marriage or de facto relationship**

- (1) For the purposes of this Subdivision, the Commissioner is to have regard to any statutory declaration made by a party to the marriage to the effect that —
  - (a) the party intends to apply for dissolution or annulment of the marriage; or
  - (b) the parties to the marriage have separated, and there is no reasonable likelihood of cohabitation being resumed.
- (2) For the purposes of this Subdivision, the Commissioner is to have regard to any statutory declaration made by a de facto partner to the de facto relationship to the effect that the relationship has ended.





has not, and will not, result in the passing of a beneficial interest in the business licence.

**137. Change of tenure**

Nominal duty is chargeable on a transfer, or an agreement for a transfer, that effects a change in the ownership of property from joint tenants to tenants in common or vice versa, if the value of the co-owners' interests at the time of the transaction is not changed.

**138. Correction of clerical errors in previous dutiable transactions**

- (1) Nominal duty is chargeable on a dutiable transaction to correct a clerical error in a previous dutiable transaction about the same property if —
  - (a) no additional consideration is paid or payable; and
  - (b) the beneficial interests in the property change only to the extent necessary to correct the error.
- (2) To remove any doubt, it is declared that an error by a party about the appropriateness of a transaction to achieve a particular intended legal result is not a clerical error in the transaction.

**139. Deceased estates**

- (1) In this section —

***distribution*** means a distribution under a will or on an intestacy.
- (2) Nominal duty is chargeable on the following dutiable transactions —
  - (a) a transfer, or agreement for the transfer, of dutiable property to the extent that —
    - (i) the transfer gives effect to a distribution in the estate of a deceased person; and
    - (ii) there is no consideration for the agreement or transfer;



- (a) is transferred; or
  - (b) is agreed to be transferred,  
other than —
  - (c) a person who, under the FHOG Act, would not be required to join in making an application for a first home owner grant; or
  - (d) a prescribed person.
- (2) If a term is given a meaning in the FHOG Act, it has the same meaning in this Division.

**142. Transactions by first home owners that are concessional transactions**

- (1) A reference in this Division to a FHOG concessional transaction is to a transfer of, or an agreement for the transfer of, dutiable property where —
- (a) the transferee or, if there are more than one, each transferee —
    - (i) is paid a first home owner grant in relation to the property or becomes a person to whom a first home owner grant is or will be payable, in relation to the property; or
    - (ii) becomes a person to whom a first home owner grant would be, or would have been, payable in relation to the property if consideration had been given for the transfer of the property;
- and
- (b) the unencumbered value of the land, or the land and home, the subject of the eligible transaction to which the first home owner grant relates, does not exceed —
    - (i) if there is no home on the land — \$400 000; or
    - (ii) otherwise — \$600 000.



proportion to the whole of the amount of duty payable as the interest in the dutiable property held by the transferee after the further FHOG concessional transaction bears to the whole of the dutiable property; and

- (b) the amount of duty payable is to be reduced by the amount of the duty paid by the transferee on the first FHOG concessional transaction and any other further FHOG concessional transactions on which duty has been paid; and
- (c) there is no liability to pay any remaining portion of the duty that would, but for this paragraph be payable.

**144. Application for concession under this Division**

- (1) An application for assessment or reassessment under this Division must be —
  - (a) made in the approved form by the transferee or, if there is more than one, each transferee; and
  - (b) accompanied by such transaction record for the transaction as is required to be lodged under section 23.
- (2) For the purposes of this Division, the Taxation Administration Act section 17 applies as if —
  - (a) in respect of a FHOG concessional transaction —
    - (i) despite subsection (1) of that section, a person is not entitled to apply for a reassessment other than within the period beginning on the commencement date of the FHOG concessional transaction to which the application relates and ending whichever is the later of the day that is —
      - (I) 12 months after the day on which the FHOG concessional transaction was completed; or



**146. Other provisions about first home owner concessions**

For the purposes of this Division and for the purposes of applying the Taxation Administration Act in relation to the operation of this Division —

- (a) the FHOG Act is to be treated as if it were a taxation Act; and
- (b) the FHOG Act applies to and in relation to an application under this Division, to the extent that it can be applied for those purposes, as if a reference in the FHOG Act to an application or an applicant were a reference to the application or applicant under this Division; and
- (c) this Act and the Taxation Administration Act apply in relation to any information given to the Commissioner for the purposes of the FHOG Act by a person who is an applicant under this Division as if the information had been given to the Commissioner for the purposes of this Division.

**Division 4A — Residential concession**

*[Heading inserted by No. 30 of 2008 s. 26.]*

**147A. Terms used in this Division**

- (1) In this Division —

**construction** includes the continuation of construction of a partially constructed building;

**eligible transaction** has the meaning given in section 147B;

**residence** means a building, or part of a building, that —

- (a) may lawfully be used; and
- (b) in the Commissioner's opinion, is suitable to be used; and
- (c) is intended by the taxpayer to be used, as a place of residence for one or more individuals;



*residential property* has the meaning given in section 147D;  
*taxpayer*, in relation to a transaction, means the person liable to pay duty.

- (2) For the purposes of this Division the construction of a residence begins on —
- (a) the date when laying the foundations for the residence begins; or
  - (b) another date the Commissioner considers appropriate in the circumstances of the case.

*[Section 147A inserted by No. 30 of 2008 s. 26.]*

**147B. Eligible transactions**

Each of the following is an *eligible transaction* —

- (a) a dutiable transaction referred to in section 11(1)(a);
- (b) a dutiable transaction referred to in section 11(1)(b) other than a transaction referred to in section 67;
- (c) a dutiable transaction referred to in section 11(1)(d)(ii);
- (d) a dutiable transaction of a kind prescribed for the purposes of this section.

*[Section 147B inserted by No. 30 of 2008 s. 26.]*

**147C. Concessional transactions**

- (1) An eligible transaction is a *concessional transaction* for the purposes of this Division if the dutiable property is land that is residential property.
- (2) Despite section 37(3)(a), transactions may be aggregated under section 37 even though at least one of them is a concessional transaction under subsection (1), and the transactions so aggregated are to be treated as a single dutiable transaction that is a concessional transaction for the purposes of this Division.

*[Section 147C inserted by No. 30 of 2008 s. 26.]*

**147D. Residential property**

Land is *residential property* if —

- (a) there is a residence on the land; or
- (b) the taxpayer has begun construction of a residence on the land; or
- (c) the taxpayer has entered into a contract for the construction of a residence on the land; or
- (d) the taxpayer has entered into a contract to purchase a movable building that will be affixed to the land and be a residence,

and it does not matter if the land is also used for another purpose.

*[Section 147D inserted by No. 30 of 2008 s. 26.]*

**147E. Concessional rate**

Duty is chargeable on a concessional transaction at the applicable concessional rate of duty and the Commissioner, on the application of the taxpayer, is to assess the liability to duty at that rate.

*[Section 147E inserted by No. 30 of 2008 s. 26.]*

**147F. Reassessment if building begins or contract is entered into after duty liability arises**

- (1) Subsection (2) applies if duty is assessed at the general rate on an eligible transaction for dutiable property that is land (the *land*).
- (2) If this subsection applies and, within the period of 5 years from the day on which liability to duty arose (the *relevant period*), the taxpayer —
  - (a) begins construction of a residence on the land; or
  - (b) enters into a contract for the construction of a residence on the land; or

- (c) enters into a contract to purchase a movable building that will be affixed to the land and be a residence,

the Commissioner, on the application of the taxpayer, is to reassess the liability to duty of the eligible transaction at the applicable concessional rate of duty.

- (3) Subsection (4) applies if duty is assessed at the general rate on 2 or more transactions (the *separate transactions*) aggregated and treated as a single transaction (the *aggregated transaction*) under section 37 as long as at least one of the separate transactions is an eligible transaction for dutiable property that is land (the *land*).

- (4) If this subsection applies and, within the period of 5 years from the day on which liability to duty arose (the *relevant period*), the taxpayer —

- (a) begins construction of a residence on the land; or
- (b) enters into a contract for the construction of a residence on the land; or
- (c) enters into a contract to purchase a movable building that will be affixed to the land and be a residence,

the Commissioner, on the application of the taxpayer, is to reassess the liability to duty of the aggregated transaction at the applicable concessional rate of duty and the duty as reassessed is to be apportioned between the separate transactions as decided by the Commissioner.

- (5) An application for reassessment under this section can be made at any time on or before whichever is the later of —
  - (a) the last day of the relevant period; or
  - (b) the last day of the period of 12 months from the day on which construction began or the contract was entered into, as the case may be.

- (6) The limitations as to time in the Taxation Administration Act section 17 do not apply in respect of a reassessment under this section.

*[Section 147F inserted by No. 30 of 2008 s. 26.]*

**147G. Application for assessment or reassessment at concessional rate**

An application for assessment or reassessment under this Division must be made in the approved form.

*[Section 147G inserted by No. 30 of 2008 s. 26.]*

**Division 4 — Residential or business concessions**

**147. Concessional rates for transactions referred to in *Stamp Act 1921* section 75AE**

- (1) A dutiable transaction is a ***concessional transaction*** for the purposes of this section if the instrument effecting or evidencing it would have been chargeable with duty under the *Stamp Act 1921* Second Schedule item 4(5), if it had been first executed before 1 July 2008.
- (2) Duty is chargeable on a concessional transaction at the applicable concessional rate of duty.
- (3) If a dutiable transaction is, or is treated as, a concessional transaction for the purposes of this section and for the purposes of Division 4A, the taxpayer may choose whether this Division or Division 4A is to apply and the Commissioner, with the consent or at the request of the taxpayer, may —
- (a) treat an application for assessment or reassessment under this Division as an application for assessment or reassessment under Division 4A, in which case this Division no longer applies; or
  - (b) treat an application for assessment or reassessment under Division 4A as an application for assessment or

reassessment under this Division, in which case  
Division 4A no longer applies.

*[Section 147 amended by No. 30 of 2008 s. 27.]*

## **Chapter 3 — Landholder Duty**

### **Part 1 — Preliminary**

#### **148. Terms used in this Chapter**

In this Chapter, unless the contrary intention appears —

***duty*** means duty under this Chapter;

***entity*** has the meaning given in section 152;

***interest*** has the meaning given in section 153;

***land*** does not include a security interest in land;

***landholder*** means an entity that is a landholder under section 155;

***linked entity*** means an entity that is a linked entity under section 156(2) in respect of a main entity as defined in section 156(1);

***listed corporation*** means a corporation that is on the official list of a prescribed financial market;

***listed landholder*** means —

- (a) a listed corporation; or
- (b) a listed unit trust scheme,

that is a landholder;

***listed unit trust scheme*** means a unit trust scheme that is on the official list of a prescribed financial market;

***relevant acquisition*** has the meaning given in sections 163 and 164;

***surplus property***, in relation to a landholder or other entity, means property remaining after satisfaction of —

- (a) any right attached to a share or unit that entitles the holder, if the landholder or other entity is wound up, to receive a fixed amount of its capital; and
- (b) the debts and liabilities of the landholder or other entity; and

(c) the costs, charges and expenses of winding it up;

*unencumbered value* has the meaning given in section 36 as applied by section 150.

**149. Entitlement to land: effect of uncompleted agreements; fixtures**

(1) In determining the entitlement of a landholder or other entity to land for the purposes of this Chapter —

- (a) if the landholder or other entity has entered into an agreement to acquire an interest in land, the agreement is to be regarded as having been completed even if it has not yet been completed; and
- (b) if the landholder or other entity has entered into an agreement to dispose of an interest in land but the agreement has not yet been completed, the agreement is to be disregarded.

(2A) For the purposes of subsections (2) and (3), the following are to be taken to be part of land as a fixture —

- (a) anything that —
  - (i) under the authority (whether direct or indirect) of a mining tenement, is fixed to land that is the subject of that mining tenement; and
  - (ii) would be part of that land as a fixture if the mining tenement were a freehold estate in the land;
- (b) a pipeline, as defined in the *Petroleum Pipelines Act 1969* section 4(1), constructed on land under the authority of a licence under that Act.

(2) If a landholder or other entity has an entitlement to land, anything that is part of the land as a fixture is to be taken into account in determining the extent of the entitlement of the landholder or other entity to the land for the purposes of this Chapter even if the fixture is, or purports to be, the subject of an entitlement separate from the ownership of the rest of the land.

- (3) If —
- (a) a landholder or other entity has an entitlement to something that is part of land as a fixture; and
  - (b) that entitlement is, or purports to be, separate from the ownership of the rest of the land,

the landholder or other entity is to be regarded as having an entitlement to land for the purposes of this Chapter to the extent of its entitlement to the fixture.

- (4) In subsections (2A), (2) and (3), a reference to land does not include anything that is land under paragraph (cb), (da) or (d) of the definition of *land* in section 3.

*[Section 149 amended by No. 33 of 2011 s. 5.]*

**150. Meaning of “unencumbered value” of land or chattels**

Section 36 applies, with any appropriate modifications, where it is necessary to determine the unencumbered value of land or chattels for the purposes of section 155(5)(a), 157(2) or 186.

**Part 2 — Imposition of landholder duty**

**151. Landholder duty imposed**

Duty is imposed in respect of any relevant acquisition under Part 5 of an interest in an entity that under Part 4 is a landholder for the purposes of this Chapter.

**Part 3 — Certain key concepts defined and related provisions**

**152. The term “entity”**

- (1) A reference in this Chapter to an entity is to —
- (a) a corporation; and
  - (b) a unit trust scheme.



- (2) Each of the following —
- (a) the trustee of a discretionary trust;
  - (b) a partnership,

is also an entity to this extent, namely that the trustee of a discretionary trust or a partnership may be a linked entity under section 156, but not otherwise.

**153. Meaning of “interest” in a landholder or other entity**

- (1) A reference in this Chapter to an interest in a landholder or other entity is to an entitlement to the surplus property of the landholder or other entity if it were to be wound up.
- (2) A reference in this Chapter to an interest in a landholder or other entity together with —
- (a) a reference to a percentage; or
  - (b) a reference to a percentage determined by the Commissioner,

is to an entitlement to receive that percentage, or the percentage so determined, of the surplus property of the landholder or other entity if it were to be wound up.

- (3) This section has effect subject to section 159.

**154. Determination of interests**

- (1) In this section —  
*person* includes an entity.
- (2) This section applies where it is necessary for the purposes of this Chapter to calculate the interest of a person (the *relevant person*) in a landholder or other entity.
- (3) This section does not apply where section 158 or 159 applies.
- (4) The interest is to be first calculated as if the landholder or other entity were wound up without regard to the notional exercise of the powers and discretions referred to in subsection (5).

- (5) The interest is to be then calculated as if the landholder or other entity were wound up and as if each interested person had exercised all powers and discretions exercisable by the person —
- (a) to effect or compel an alteration to the constitution of the landholder or other entity; and
  - (b) to vary the rights attached to units or shares in the landholder or other entity; and
  - (c) to effect or compel the substitution or replacement of units or shares in the landholder or other entity with other units or shares in it,

in such a manner as would maximise the value of the relevant person's interest.

- (6) The reference in subsection (5) to an interested person is —
- (a) to the relevant person; and
  - (b) if the relevant person is a unit trust scheme, to the trustee of the scheme; and
  - (c) to any person that the relevant person or a person referred to in paragraph (b) has power to direct with respect to a distribution; and
  - (d) where the calculation is required in order to determine the extent of a relevant person's interest for the purposes of section 163 or 164, to a related person under section 162 in respect of the relevant person or a person referred to in paragraph (b).
- (7) The relevant person's interest is the greater of the interest calculated under subsection (4) and the interest calculated under subsection (5).
- (8) If the calculation under subsection (5) results in the greater interest the Commissioner may, after considering the circumstances of the case, determine that —
- (a) the application of subsection (7) would be inequitable; and

- (b) the relevant person's interest is that calculated under subsection (4).

**Part 4 — Landholders to which this Chapter applies**

**155. Entities that are landholders**

- (1) This section applies where it is necessary to determine in relation to an acquisition of an interest in an entity whether the entity is a landholder for the purposes of section 163 or 164.
- (2) A corporation is a landholder if immediately before the acquisition —
  - (a) it is entitled to land in Western Australia or an entity linked to the corporation is so entitled; and
  - (b) the total value of all such entitlements is \$2 000 000 or more.
- (3) A unit trust scheme is a landholder if immediately before the acquisition —
  - (a) the trustee of the scheme is entitled to land in Western Australia or an entity linked to the unit trust scheme is so entitled; and
  - (b) the total value of all such entitlements is \$2 000 000 or more.
- (4) For the purposes of subsections (2)(a) and (3)(a) —
  - (a) a partnership, as a linked entity, is entitled to land in Western Australia if the partnership property is or includes such land; and
  - (b) a unit trust scheme, as a linked entity, is entitled to land in Western Australia if the trustee of the scheme is so entitled.
- (5) For the purposes of this section —

- (a) land to which a corporation or the trustee of a unit trust scheme is entitled is to be valued at its unencumbered value; and
- (b) the value of a linked entity's entitlement to land is to be determined under section 157.

**156. Entities that are linked**

- (1) This section applies where it is necessary to determine in relation to an acquisition of an interest in an entity (the *main entity*) whether there is any other entity that is linked to the entity for the purposes of section 155(2)(a) or (3)(a).
- (2) Each entity (a *linked entity*) below the main entity in an ownership chain that exists immediately before the acquisition is linked to the main entity.
- (3) An ownership chain exists if a series of entities starting with the main entity are successively linked to one another.
- (4) Except where subsection (5) or (6) applies, an entity is linked to another entity if —
  - (a) where the other entity is a listed corporation or a listed unit trust scheme — it has a 90% interest, or a greater interest, in the entity; or
  - (b) in any other case — it has a 50% interest, or a greater interest, in the entity.
- (5) An entity is linked to the trustee of a discretionary trust if it is a potential beneficiary under the trust.
- (6) An entity is linked to a partnership if it is a partner in the partnership, or in the case of a unit trust scheme the trustee, as trustee of the scheme, is a partner, and —
  - (a) has contributed or is required to contribute 50%, or a greater percentage, of the capital of the partnership; or
  - (b) is required to bear 50%, or a greater percentage, of the losses of the partnership.

- (7) A series of entities under subsection (3) may consist of the main entity and one other entity to which it is linked as mentioned in subsection (4), (5) or (6).

**157. Value of land of linked entity**

- (1) This section applies where a linked entity is entitled to land in Western Australia and it is necessary to determine the value of that entitlement for the purposes of section 155.
- (2) The value of the entitlement is an amount equal to the same percentage of the unencumbered value of the land as the percentage of the main entity's interest in the linked entity.
- (3) In the case of a linked entity other than one that is immediately below the main entity in the ownership chain, the percentage of the main entity's interest in the linked entity is determined by multiplying the percentage of the main entity's interest in the entity immediately below it in the ownership chain by the percentage of the interest that each entity in the ownership chain between the main entity and the linked entity concerned has in the entity immediately below it in the ownership chain.
- (4) In this section, a reference to an interest in an entity is, if the entity is the trustee of a discretionary trust, a reference to being a potential beneficiary under the trust.

**158. Extent of interest in discretionary trust**

For the purposes of section 157, if the trustee of a discretionary trust is a linked entity, a potential beneficiary under the trust is taken to have —

- (a) a 100% interest in the trust; or
- (b) if the Commissioner decides in a particular case that the operation of paragraph (a) would be inequitable, either —
- (i) an interest in the trust of some other percentage; or

- (ii) no interest in the trust,  
as determined by the Commissioner.

**159. Extent of interest in partnership**

For the purposes of section 157, if a partnership is a linked entity in respect of another entity, the percentage of the interest in the partnership of that entity is the percentage —

- (a) of the capital of the partnership that the entity has contributed or is required to contribute; or
- (b) of the losses of the partnership that the entity is required to bear,

whichever is the greater or, if the percentage is the same in each case, that percentage.

**Part 5 — Acquisitions to which this Chapter applies**

**Division 1 — Means by which interest acquired**

**160. Acquisition of an interest in an entity**

- (1) A person acquires an interest in an entity if —
  - (a) the person obtains an interest in the entity; or
  - (b) the person's interest in the entity increases,regardless of how it is obtained or increased.
- (2) Without limiting subsection (1), a person may acquire an interest in a corporation or a unit trust scheme in the following ways —
  - (a) by the purchase, gift, allotment or issue of a share or unit;
  - (b) by the cancellation, redemption or surrender of a share or unit;
  - (c) by the abrogation or alteration of any right in respect of a share or unit;
  - (d) by the payment of an amount owing for a share or unit.



- (f) an individual and a trustee if the individual is a beneficiary under the trust of which the trustee is a trustee, whether the person has a vested share or is contingently entitled or is a potential beneficiary under a discretionary trust;
  - (g) a corporation and a trustee if —
    - (i) the corporation or a majority shareholder, director or secretary of the corporation is a beneficiary under the trust of which the trustee is a trustee; or
    - (ii) a related corporation to the corporation is a beneficiary under the trust of which the trustee is a trustee,  
whether the beneficiary has a vested share or is contingently entitled or is a potential beneficiary under a discretionary trust;
  - (h) persons or entities that acquire interests in a landholder by virtue of acquisitions that together form or arise from substantially one transaction or one series of transactions;
  - (i) persons or entities that acquire interests in a landholder by virtue of acquisitions that arise from those persons or entities acting in concert with each other.
- (2) If the Commissioner is satisfied, in the case of a particular acquisition of an interest in an entity, that subsection (3) applies to persons, other than related corporations, that would otherwise be related persons under subsection (1), the Commissioner may determine that, despite that subsection, the persons are not related persons for the purposes of sections 163 and 164.
- (3) This subsection applies to persons if —
- (a) they are not acting in concert with each other in respect of the acquisition; and
  - (b) their interests in the entity —





and

- (b) by the acquisition the person or any related person acquires, or the person and any related person acquire, a further interest in the landholder.

**Subdivision 3 — Exempt acquisitions**

**165. Meaning of “acquisition” in this Subdivision**

In this Subdivision —

*acquisition* means an acquisition by a person of an interest in a landholder.

**166. Effect of acquisition being exempt**

An acquisition that is exempt under this Subdivision —

- (a) is not a relevant acquisition for the purposes of this Chapter, other than Part 6 Division 7; and
- (b) the interest acquired by the acquisition is not to be taken into account for the purposes of section 188(1) or (3), 189(2), 190(2) or 191(2) and is not an excluded interest under section 190(1) or 192.

**167. Exemption if nominal duty would be chargeable on transfer**

An acquisition is exempt if it would have resulted in nominal duty being chargeable if the acquisition had instead been a transfer to the person concerned of land —

- (a) of the landholder; or
- (b) of a linked entity in respect of the landholder.

**168. Exemption if transfer duty would not be chargeable**

- (1) An acquisition is exempt if it would not have resulted in transfer duty being chargeable, other than under Chapter 6, if the acquisition had instead been a transfer to the person concerned of land —
  - (a) of the landholder; or

(b) of a linked entity in respect of the landholder.

- (2) This section does not apply to an acquisition to which section 171 applies.

**169. Exemption if acquisition is dutiable under section 67**

An acquisition is exempt if the landholder concerned is a corporation and the acquisition is taken, by operation of section 67, to be an agreement for the transfer of dutiable property.

**170. Exemption relating to approved arrangements with creditors under the Corporations Act**

An acquisition is exempt if it occurs solely as the result of the making of a compromise or arrangement with creditors of the landholder under the Corporations Act Part 5.1 that has been approved by the court.

**171. Exemption of acquisition by family member of interest in corporation engaged in primary production**

- (1) In this section —

*corporation* means a corporation that is a landholder.

- (2) An acquisition by a person (the *acquirer*) is exempt if it is an acquisition from another person of an interest in a corporation which, or a linked entity in respect of which, uses land solely or dominantly in the business of primary production and —

(a) it would have been an exempt transaction under section 102(1) if —

- (i) it had been a transfer, from that other person to the acquirer, of land to which the corporation or a linked entity in respect of the corporation is entitled; and
- (ii) section 102(2), (3), (5) and (6) had not been enacted;

and

- (b) immediately after the acquisition the corporation, or a linked entity in respect of the corporation, intends to continue to use the land solely or dominantly in the business of primary production.
- (3) For the purposes of subsection (2), land is being used in the business of primary production even if —
- (a) some, but not all, of the land is leased to another person; and
  - (b) under the lease, the lessee is using the leased land solely or dominantly for the purposes of silviculture or reforestation.
- (4) This section has effect subject to Subdivision 4.

**Subdivision 4 — Further provisions in respect of exemptions under section 171**

**172. Calculation of duty where some land of corporation not used for primary production**

- (1) This section applies to an acquisition referred to in section 171 if immediately before the acquisition the corporation concerned, or a linked entity in respect of the corporation, is entitled to —
- (a) land in Western Australia that is used solely or dominantly in the business of primary production; and
  - (b) land in Western Australia that is not so used.
- (2) The following provisions apply to the acquisition (the *partially exempt acquisition*) —
- (a) section 166 is not applicable to or in relation to the partially exempt acquisition;
  - (b) despite Part 6 Division 5, the amount of duty payable in respect of the partially exempt acquisition is an amount that bears to the amount of duty calculated under that Division in respect of the acquisition the same

proportion as the value of the land referred to in subsection (1)(b) bears to the value of the corporation concerned, as determined under section 186.

**173. Reversal of exemption where certain changes made to discretionary trust**

- (1) This section applies if —
- (a) an acquisition from a person (the *transferor*) of an interest in a corporation by the trustee of a discretionary trust was —
    - (i) exempt under section 171; or
    - (ii) a partially exempt acquisition under section 172;and
  - (b) after the acquisition occurs there is a material alteration to the operation of the discretionary trust; and
  - (c) at the time of the material alteration —
    - (i) the corporation is a landholder; and
    - (ii) the corporation or a linked entity in respect of the corporation, is using solely or dominantly in the business of primary production any of the land to which it was entitled when the acquisition occurred.
- (2) There is a material alteration to the operation of the discretionary trust, as mentioned in subsection (1)(b), if —
- (a) during the lifetime of the transferor, a person that is not a family member of the transferor —
    - (i) becomes entitled to a share or interest in the trust, whether that share or interest is vested or contingent; or
    - (ii) otherwise benefits from the trust;or
  - (b) the transferor gains control of the trust.

- (3) For the purposes of subsection (2) —
  - (a) the reference to a family member is to a person who is a family member within the meaning given in section 100; and
  - (b) the matter in paragraph (b) is to be determined in accordance with section 99(2).
- (4) On the occurrence of a material alteration to the operation of the discretionary trust —
  - (a) an acquisition of an interest in the corporation by the trustee of the trust is taken to have occurred; and
  - (b) that interest is taken to be an interest of the same percentage as that mentioned in subsection (1)(a); and
  - (c) the acquisition is taken to have occurred at the time when the material alteration occurred.
- (5) If the acquisition mentioned in subsection (1)(a) was a partially exempt acquisition under section 172 the amount of duty payable in respect of the acquisition that is taken to have occurred under subsection (4) is to be reduced by the amount of the duty paid in respect of the partially exempt acquisition.

**174. No exemption where interest transferred within 5 years**

- (1) This section applies if —
  - (a) an acquisition of an interest in a corporation (the *first acquisition*) was exempt under section 171; and
  - (b) a further acquisition of an interest in the corporation occurs within 5 years after the day on which the first acquisition occurred; and
  - (c) at the time when the further acquisition occurs the corporation, or a linked entity in respect of the corporation, is using solely or dominantly in the business of primary production any of the land to which it was entitled when the first acquisition occurred; and

- (d) in the opinion of the Commissioner the further acquisition is by way of a transfer of an interest, or part of an interest, in the corporation that was acquired under the first acquisition.
- (2) The further acquisition is not exempt under section 171 even if it comes within the provisions of that section.

## Part 6 — Collection of landholder duty

### Division 1 — Preliminary

#### 175. The term “acquirer”

In this Part —

*acquirer* means a person that acquires an interest in a landholder by a relevant acquisition and, if there is more than one, each of them.

#### 176. When an acquisition occurs

- (1) For the purposes of this Chapter, but subject to section 173(4)(c), the time when an acquisition of an interest in a landholder occurs is to be determined under this section.
- (2) If there is an agreement for the making of the acquisition, whether conditional or not, and subsection (3) does not apply, the acquisition occurs when the agreement is made.

Note: Section 196 provides for the reassessment of duty if an agreement referred to in this subsection is not completed.

- (3) If there is an agreement for the making of the acquisition, whether conditional or not, and the entity concerned is not a landholder when the agreement is made but is a landholder when the agreement is completed, the acquisition occurs when the agreement is completed.
- (4) If subsections (2) and (3) do not apply, the acquisition occurs when the interest to which it relates is acquired.

**177. Certain transactions to be treated as agreements**

- (1) In this section and in section 178 —  
*call option, put option* and *simultaneous put and call option* have the meanings those terms would have under section 44 if references in that section to dutiable property were references to a relevant interest;

*relevant interest* means an interest in a landholder or other entity.

- (2) For the purposes of section 176, where a simultaneous put and call option that applies to a relevant interest comes into existence —
- (a) subject to section 178, the call option is taken to be an agreement for the making of an acquisition of the relevant interest by the holder of the call option rights; and
  - (b) paragraph (a) applies even if the call option is assigned as mentioned in subsection (3).
- (3) If, in respect of a simultaneous put and call option that applies to a relevant interest —
- (a) the call option has been assigned to another person so that the other person has a right to require the sale of the relevant interest —
    - (i) to the other person; or
    - (ii) to a person that has an agreement, arrangement or understanding with the other person relating to the interest;and
  - (b) the put option obligations have passed to any person referred to in paragraph (a),

the assignment of the call option to the other person is taken, for the purposes of section 176, to be an agreement for the acquisition of the relevant interest by that person.



- (4) If subsection (3) applies, subsection (2) does not apply to the right referred to in subsection (3)(a) or the rights under the put option referred to in subsection (3)(b).

Note: Section 196 provides for the reassessment of duty if a deemed agreement is not completed.

#### **178. Exceptions to section 177**

- (1) In this section —  
*proprietor of a business* means a person that has an interest in a landholder or other entity that carries on a business.
- (2) It is an exception to section 177(2) if the call option and the put option are for, and only for, the purpose of obtaining finance or making other financial arrangements.
- (3) It is also an exception to section 177(2) if the call option and the put option form part of a scheme of call options and put options given by the proprietors of a business that —
- (a) are for, and only for, the purpose of facilitating the continuation of the business by one or some of those proprietors (the *continuing proprietor or proprietors*); and
  - (b) are not exercisable except on the occurrence of an event specified in them that would cause the continuing proprietor or proprietors to seek to acquire the interest of another of the proprietors.

### **Division 2 — Liability**

#### **179. Person liable to pay duty**

- (1) The duty chargeable in respect of a relevant acquisition is payable by the person or persons determined under subsection (2) in relation to the acquisition.

- (2) The following persons are jointly and severally liable to pay duty chargeable in respect of a relevant acquisition of an interest in a landholder —
- (a) in every case, the acquirer;
  - (b) if the landholder is a corporation, the corporation;
  - (c) if the landholder is a unit trust scheme, the trustee of the scheme;
  - (d) any person taken into account under section 163 or 164 as being related to the acquirer for the purposes of the acquisition, other than a person whose interest in the landholder is, for the purpose of calculating the duty, an excluded interest under section 190(1) or 192.
- (3) To the extent that a person referred to in subsection (2)(b), (c) or (d) has paid the duty chargeable in respect of a relevant acquisition the person may recover the amount of duty paid from the acquirer concerned, or if there is more than one from any of them, as a debt due to the person.

**180. Application to Commissioner for determination of liability**

- (1) A person mentioned in subsection (2) may, within 2 months after the day on which an acquisition of an interest in an entity occurs, apply to the Commissioner for a determination whether any liability has arisen under this Chapter in respect of the acquisition.
- (2) The persons that may apply are —
- (a) any person that by the acquisition acquires an interest in the entity; or
  - (b) any person that may be taken into account under section 163 or 164 as being related for the purposes of the acquisition to a person referred to in paragraph (a); or
  - (c) if the entity is a corporation, the corporation; or
  - (d) if the entity is a unit trust scheme, the trustee of the scheme.

- 
- (3) An application under subsection (1) must be made in the approved form.
  - (4) Where an application is made under subsection (1) —
    - (a) the Commissioner is to make the requested determination; and
    - (b) any liability of a person under section 200 in respect of the acquisition ceases unless it is revived under section 182(5),

but the obligation imposed by paragraph (a) is qualified so far as it is inconsistent with the exercise of a power conferred on the Commissioner by section 182(1) or (4).

**181. Determination of application**

- (1) If, on an application under section 180, the Commissioner determines that liability has not arisen under section 151 in respect of the acquisition in question, the Commissioner is to give notice of that determination to the applicant.
- (2) If, on an application under section 180, the Commissioner determines that liability has arisen under section 151 in respect of the acquisition in question, the Commissioner is to issue an assessment notice under the Taxation Administration Act section 23 in respect of the acquisition.

**182. Powers of Commissioner where further information required for determination of application**

- (1) If on an application under section 180 further information or evidence is necessary for the making of a determination, the Commissioner may —
  - (a) defer the making of a determination; and

- (b) by written notice require the applicant to provide further information or evidence to the Commissioner within a specified period,

and the Commissioner may exercise those powers as often as the Commissioner thinks fit until all necessary information and evidence have been provided.

- (2) The Commissioner may at any time extend the period specified in a notice under subsection (1)(b).
- (3) The powers of the Commissioner under subsection (1) are in addition to, and do not limit, the powers that the Commissioner has under the Taxation Administration Act to obtain information or carry out an investigation.
- (4) If —
  - (a) the Commissioner has under subsection (1) required the applicant to provide further information or evidence; and
  - (b) the Commissioner considers that the applicant has not within the required period provided the information or evidence,

the Commissioner is to give the applicant written notice of that opinion and of the effect of subsection (5).

- (5) If the Commissioner gives notice under subsection (4) —
  - (a) section 180(4)(a) does not apply; and
  - (b) any liability that ceased under section 180(4)(b) is revived as if the application under section 180(1) had never been made.

### **Division 3 — Payment of landholder duty**

#### **183. Payment of landholder duty**

- (1) Liability to pay the duty chargeable in respect of a relevant acquisition arises when the relevant acquisition occurs.

- (2) The duty is due for payment within one month after the date of an assessment notice issued in relation to an assessment of the duty.

#### **Division 4 — Rates of landholder duty**

##### **184. Rates of landholder duty**

- (1) Duty is chargeable at the general rate of duty set out in Schedule 2.
- (2) For the purposes of subsection (1) the value referred to in section 188(1), 189(2) or 191(2), as the case may require, is taken to be the dutiable value.

#### **Division 5 — Calculation of landholder duty**

##### **185. The term “interest of the acquirer”**

A reference in this Division to the interest of the acquirer in a landholder after a relevant acquisition is to the aggregated interests of —

- (a) the acquirer; and
- (b) any related person that is to be taken into account in relation to the acquisition for the purposes of section 163 or 164.

##### **186. Value of landholder**

- (1) For the purposes of calculating duty in respect of a relevant acquisition the value of a landholder is taken to be the sum of —
- (a) the unencumbered value of the land and chattels in Western Australia to which the landholder is entitled; and
- (b) the same percentage of the unencumbered value of the land and chattels in Western Australia to which any linked entity in respect of the landholder is entitled as the percentage of the landholder’s interest in the linked entity taken into account under section 157.

- (2) Except where section 187 applies, the entitlements referred to in subsection (1) are to be those that exist immediately after the relevant acquisition.

**187. Time of determination of the value of further interests for calculation of duty**

- (1) This section applies where —
- (a) it is necessary to determine the value of an interest of an acquirer in a landholder for the purposes of section 188(3) or 191(3); and
  - (b) the relevant acquisition concerned is of a further interest in either —
    - (i) a listed landholder; or
    - (ii) a landholder that is not listed but was previously listed and in which, at a time when it was listed, the interest of the acquirer was not less than a 90% interest.
- (2) The value is to be determined —
- (a) as if the further interest was acquired at the same time as the interest of the acquirer became not less than a 90% interest in the landholder concerned; and
  - (b) on the basis of the value of the landholder at that time.

**188. Calculation of duty**

- (1) To calculate the amount of duty payable in respect of a relevant acquisition an amount is first calculated by applying the appropriate rate of duty under section 184(1) to the value of the interest of the acquirer in the landholder immediately after the relevant acquisition and then, if applicable, a deduction is made under section 189 or 191.
- (2) The resulting amount is the duty payable in respect of the relevant acquisition.

- (3) The value of the interest referred to in subsection (1) is the same percentage of the value of the landholder as the percentage of the interest of the acquirer in the landholder after the relevant acquisition.

**189. Reduction where significant interest acquired in a landholder**

- (1) This section applies to the calculation of duty in respect of a relevant acquisition described in section 163.
- (2) The amount calculated under section 188(1) is to be reduced by an amount determined by applying the appropriate rate of duty under section 184(1) to the value of any excluded interest as determined under subsection (3).
- (3) The value of an excluded interest is the same percentage of the value of the landholder concerned as the percentage of all interests in the landholder that is represented by the excluded interest.

**190. Meaning of “excluded interest” for section 189**

- (1) The reference in section 189 to an excluded interest is to an interest in the landholder concerned that is part of the interest of the acquirer, being —
  - (a) an interest, other than one to which subsection (2) applies, that was held by the person or a related person, or by the person and a related person, before the day that is 3 years before the day on which the relevant acquisition occurred; or
  - (b) an interest in the landholder concerned acquired by an acquisition if immediately before the acquisition neither the landholder nor a linked entity in respect of the landholder was entitled to land in Western Australia.

Note: The operation of subsection (1) is modified if the day paragraph (a) refers to is before 1 July 2008: see Schedule 3 clause 13(1).

- (2) This subsection applies to an interest in the landholder acquired by an acquisition (the *earlier acquisition*) if the relevant acquisition in respect of which duty is to be calculated under section 188(1) was made pursuant to an arrangement entered into during the prescribed period in respect of the earlier acquisition.
- (3) The reference in subsection (2) to the prescribed period in respect of the earlier acquisition is to the period beginning on the day that is 3 years before the day on which the earlier acquisition occurred and ending on the day that is 3 years after that day.

**191. Reduction where further interest acquired in a landholder**

- (1) This section applies to the calculation of duty in respect of a relevant acquisition described in section 164.
- (2) The amount calculated under section 188(1) is to be reduced by an amount determined by applying the appropriate rate of duty under section 184(1) to the value of any excluded interest as determined under subsection (3).
- (3) The value of an excluded interest is the same percentage of the value of the landholder concerned as the percentage of all interests in the landholder that is represented by the excluded interest.

**192. Meaning of “excluded interest” for section 191**

The reference in section 191 to an excluded interest is to an interest in the landholder concerned that is part of the interest of the acquirer, being —

- (a) an interest that was held by the person or a related person, or by the person and a related person, before the day that is 3 years before the day on which the relevant acquisition occurred; or



- (b) an interest acquired by a relevant acquisition that occurred on or after the day referred to in paragraph (a) if duty was chargeable in respect of that acquisition; or
- (c) an interest referred to in section 190(1)(b).

Note: The operation of this section is modified if the day paragraph (a) refers to is before 1 July 2008: see Schedule 3 clause 13(2).

**193. Calculation of duty where statement lodged under section 201**

- (1) This section applies to the calculation of duty if a statement is lodged under section 201(6) in respect of a relevant acquisition referred to in section 164 that occurred during a period (a *relevant period*) provided for by an approval under section 201(2).
- (2) The Commissioner is not required to make a separate calculation under this Division of duty in respect of each relevant acquisition that occurred during the relevant period.
- (3) Instead, the Commissioner may calculate the duty under this Division in respect of all relevant acquisitions that occurred during the relevant period as if all such acquisitions had been made by a single relevant acquisition that occurred at the end of the relevant period.

**194. Calculation of duty in respect of certain acquisitions on winding up of corporation or unit trust scheme**

- (1) Despite anything else in this Division, duty is to be calculated under this section in respect of a relevant acquisition by a person of an interest in a landholder if the acquisition —
  - (a) occurs in the circumstances referred to in subsection (2); and
  - (b) is not exempt under section 167 because the effect of the acquisition is that the person receives a benefit in excess of the person's entitlement.

Note: The combined operation of sections 29(4) and 167 will make the acquisition exempt if the value of the person's benefit is not in excess of the person's entitlement.

- (2) The circumstances referred to are that —
- (a) the relevant acquisition occurs as a result of a transfer of shares in a corporation or units in a unit trust scheme by —
    - (i) the liquidator of a corporation in the course of a distribution of its assets as a consequence of the winding up of the corporation; or
    - (ii) the trustee of a unit trust scheme in the course of the winding up of the scheme;and
  - (b) the person concerned is —
    - (i) a shareholder in the corporation; or
    - (ii) a unit holder in the unit trust scheme,that is being wound up; and
  - (c) the Commissioner is satisfied that the winding up is not a scheme or arrangement, or part of a scheme or arrangement, for which a dominant purpose of any party is the reduction of the duty otherwise payable.
- (3) The amount of duty payable in respect of the relevant acquisition is an amount that bears to the amount of duty that would otherwise be calculated under this Division in respect of the acquisition the same proportion as the value of the benefit received by the person in excess of the person's entitlement bears to the value of all the assets distributed or to be distributed to the person as a consequence of the winding up.
- (4) For the purposes of this section —
- (a) a shareholder in a corporation receives a benefit in excess of the shareholder's entitlement if the value, when the winding up begins, of all the assets distributed or to be distributed to the shareholder (the *distributed*

- value*) exceeds the value at that time of the shareholder's entitlement to the net assets of the corporation (the *entitlement value*); and
- (b) a unit holder in a unit trust scheme receives a benefit in excess of the unit holder's entitlement if the value, when the winding up begins, of all the assets distributed or to be distributed to the unit holder (also the *distributed value*) exceeds the value at that time of the unit holder's entitlement to the net assets held by the trustee of the unit trust scheme as trustee of that trust (also the *entitlement value*).
- (5) For the purpose of calculating duty under subsection (3), the value of a benefit received by a shareholder or unit holder in excess of the person's entitlement is the greater of —
- (a) the amount by which the distributed value exceeds the entitlement value in relation to the person; and
- (b) the amount that is the total of —
- (i) any amount owing to the shareholder or unit holder that the shareholder or unit holder has, in the relevant period, released the corporation or the trustee of the unit trust scheme from paying; and
- (ii) the amount of any liability that the shareholder or unit holder has, in the relevant period, assumed or discharged on behalf of the corporation or the trustee of the unit trust scheme.
- (6) In subsection (5)(b) —
- relevant period* means the period beginning on the day that is 12 months before the day on which the winding up begins and ending on the day on which the relevant acquisition occurs.
- (7) Section 29(6), (7) and (8) apply for the purposes of subsection (2)(c) as if —

- (a) a reference to the property were a reference to the shares or the units, as the case may require; and
- (b) a reference to the duty chargeable were a reference to the duty payable in respect of the relevant acquisition.

**Division 6 — Reassessment of liability for landholder duty**

**195. Reassessment of duty where section 149 was applied**

- (1) A reassessment of duty in respect of a relevant acquisition is required if —
  - (a) for the purposes of an assessment, an agreement to acquire an interest in land has, under section 149(1)(a), been regarded as having been completed; and
  - (b) since that determination the agreement has been rescinded, annulled or otherwise terminated without being completed; and
  - (c) had the agreement not been regarded as having been completed —
    - (i) the liability for duty in respect of the relevant acquisition would not have arisen; or
    - (ii) the amount of the duty payable would have been less.
- (2) A reassessment of duty in respect of a relevant acquisition is also required if —
  - (a) for the purposes of an assessment, an agreement to dispose of an interest in land has, under section 149(1)(b), been disregarded; and
  - (b) since that determination the agreement has been completed; and
  - (c) had the agreement not been disregarded —
    - (i) the liability for duty in respect of the relevant acquisition would not have arisen; or

- (ii) the amount of the duty payable would have been less.
- (3) On application made by a person that has paid or is liable to pay the duty, the Commissioner is to make a reassessment of the duty —
  - (a) if subsection (1) applies — disregarding the agreement referred to in that subsection; or
  - (b) if subsection (2) applies — having regard to the agreement referred to in that subsection.

**196. Reassessment of duty where section 176(2) was applied**

- (1) A reassessment of duty in respect of a relevant acquisition is required if —
  - (a) for the purposes of an assessment, the acquisition was treated as having been made under an agreement of the kind referred to in section 176(2); and
  - (b) since that assessment —
    - (i) the agreement has been rescinded, annulled or otherwise terminated without being completed; or
    - (ii) subsection (2) has become applicable to the agreement;and
  - (c) had the acquisition not been treated as mentioned in paragraph (a) the liability for duty in respect of the relevant acquisition would not have arisen.
- (2) This subsection has become applicable to an agreement that is taken to exist under section 177(2) or (3) if —
  - (a) the call option and the put option of the simultaneous put and call option referred to in section 177(2) or (3) —
    - (i) both expire without being exercised; or

- (ii) are rescinded or cancelled by agreement, or either is rescinded or cancelled and the other expires without being exercised;
  - and
  - (b) the call option has not been assigned or further assigned as referred to in section 177(3).
- (3) On application made by a person that has paid or is liable to pay the duty, if subsection (1) applies, the Commissioner is to make a reassessment of the duty disregarding the agreement referred to in subsection (1)(a).
- (4) If a reassessment is required under subsection (1)(b)(ii), the Taxation Administration Act section 17 applies as if the original assessment had been made as soon as subsection (2) became applicable to the agreement that was taken to exist under section 177(2) or (3).

**197. Further matter to be considered by the Commissioner**

Despite section 195(3)(a) or 196(3), the Commissioner is not to make a reassessment of the duty under that provision unless the Commissioner is also satisfied that the rescission, annulment or other termination of the agreement was not part of a scheme or arrangement under which the object of the agreement has been or may be achieved in another way.

**198. Taxation Administration Act not affected**

Sections 195 and 196 are in addition to the provisions of the Taxation Administration Act relating to the reassessment of duty and do not affect the operation of those provisions.

**Division 7 — Lodgment of statements**

**199. The term “acquisition statement”**

In this Division —

***acquisition statement*** means a statement required to be lodged under section 200(2), 201(6) or 202(2).

**200. Acquisition statement to be lodged**

- (1) This section applies where by a relevant acquisition a person —
  - (a) acquires an interest in a landholder; or
  - (b) is taken by section 173(4) to have acquired such an interest.
- (2) A statement in respect of the acquisition must be lodged unless —
  - (a) section 180(4)(b) applies in relation to the acquisition; or
  - (b) it is covered by an approval under section 201.
- (3) An acquisition statement under subsection (2) must be lodged not later than 2 months after the day on which the relevant acquisition occurred or is taken to have occurred or within such further time as is allowed under subsection (4).
- (4) The Commissioner may from time to time, on application by a person or entity referred to in section 204, extend the time allowed for the lodgment of an acquisition statement under this section, and may do so on such conditions as the Commissioner thinks fit.
- (5) An application under subsection (4) in respect of an acquisition statement must be made —
  - (a) before the expiry of the allowed time applicable to the statement; and
  - (b) in the approved form.

**201. Acquisition of further interests in landholder: lodgment of periodical statements may be approved**

- (1) This section applies where —

- (a) by a relevant acquisition referred to in section 164 a person has acquired a further interest in a landholder; and
  - (b) it is contemplated that the acquirer or a person that under section 162 is related to the acquirer (a *related person*) will acquire more of such interests in the landholder.
- (2) The Commissioner may, on application made by a person mentioned in subsection (3), approve the lodgment of periodical statements in respect of particular approved periods (a *relevant period*).
- (3) The persons that may apply are —
  - (a) the acquirer; or
  - (b) a related person; or
  - (c) if the landholder is a corporation, the corporation; or
  - (d) if the landholder is a unit trust scheme, the trustee of the scheme.
- (4) An application under subsection (2) must be made —
  - (a) within 2 months after the day on which the relevant acquisition occurred; and
  - (b) in the approved form.
- (5) The first relevant period is to begin with the day on which the relevant acquisition occurred and a subsequent relevant period is to begin with the day after the day on which the immediately preceding relevant period ends.
- (6) While an approval under subsection (2) is in force —
  - (a) a statement must be lodged within 14 days after the first relevant period ends in respect of —
    - (i) the relevant acquisition referred to in subsection (1)(a); and



(ii) any other relevant acquisition by which the acquirer or a related person acquired any further interest in the landholder during that period;

and

(b) within 14 days after each subsequent relevant period ends, a statement must be lodged in respect of any relevant acquisition by which the acquirer or a related person acquired any further interest in the landholder during that period.

**202. Lodgment obligations where application under section 201 refused**

- (1) If the Commissioner decides not to grant an approval under section 201, the Commissioner is to give written notice of the decision and of the reasons for it to —
- (a) the applicant; and
  - (b) every other person that appears to the Commissioner to be a person that would be liable under section 204 if a statement is not lodged under subsection (2) in respect of an acquisition mentioned in that subsection.
- (2) Within 2 months after the day on which a notice is given under subsection (1), statements must be lodged in respect of —
- (a) the relevant acquisition referred to in section 201(1)(a); and
  - (b) any relevant acquisition by which the acquirer or a person that under section 162 is related to the acquirer acquired any further interest in the landholder after the relevant acquisition referred to in section 201(1)(a) and before the notice was given,

and section 200 does not apply to those acquisitions.

**203. Form and content of acquisition statements**

- (1) An acquisition statement must —

- (a) be in the approved form; and
  - (b) contain such information and particulars as are prescribed.
- (2) The Commissioner may approve different forms of acquisition statements for different circumstances or for different provisions of this Chapter.

**204. Failure to lodge acquisition statement**

If an acquisition statement is not lodged in accordance with section 200(2), 201(6) or 202(2), the following persons commit an offence —

- (a) in every case, the acquirer;
- (b) if the landholder concerned is a corporation, the corporation;
- (c) if the landholder concerned is a unit trust scheme, the trustee of the scheme;
- (d) any person taken into account under section 163 or 164 as being related to the acquirer for the purposes of the acquisition, other than a person whose interest in the landholder is, for the purpose of calculating the duty, an excluded interest under section 190(1) or 192.

Penalty: a fine of \$20 000.

**Division 8 — Information to be provided to Parliament**

**205. Minister to inform Parliament of amounts of duty assessed and duty paid during 3 years following commencement of this Chapter**

As soon as is practicable after the expiration of the period of 3 years from the commencement of this Chapter, the Minister is to —

- (a) cause a statement to be prepared showing —

- (i) the total amount of all assessments of duty payable under this Chapter made during that period in respect of relevant acquisitions; and
  - (ii) an estimate of the total amount of duty that would have been assessed under the *Stamp Act 1921* if that Act had applied to those acquisitions instead of this Chapter;
- and
- (b) cause the statement to be laid before each House of Parliament.

## **Chapter 4 — Insurance duty**

### **Part 1 — Preliminary**

#### **206. Terms used in this Chapter**

In this Chapter, unless the contrary intention appears —

***accident insurance*** means insurance for any payment agreed to be made —

- (a) on the death of any person only from accident or violence or otherwise than from a natural cause; or
- (b) as compensation for personal injury;

***contract of insurance*** has the meaning given in section 208;

***duty*** means duty under this Chapter;

***financial services licensee*** has the meaning given in the Corporations Act section 761A;

***general insurance*** has the meaning given in section 209;

***general insurer*** has the meaning given in section 214;

***insurer*** means a person that writes general insurance otherwise than as an intermediary of an insurer;

***intermediary***, of an insurer, means —

- (a) a representative of the insurer; or
- (b) a financial services licensee, that is not otherwise a representative of the insurer, that arranges or effects insurance for or with the insurer;

***interstate duty*** means duty chargeable in another State or a Territory that is of a similar nature to duty under this Chapter;

***life insurance*** means insurance provided under or in accordance with a policy of insurance or assurance on any life or lives or on any event or contingency relating to or depending on any life or lives, other than a policy of accident insurance;

***offshore risk insurance*** means any kind of insurance that is applicable to —

- (a) property outside Australia; or
- (b) a risk, contingency or event concerning an act or omission that, in the normal course of events, occurs outside Australia;

*premium* has the meaning given in section 211;

*registered insurer* means a general insurer that is registered under section 218;

*representative* has the meaning given in the Corporations Act section 910A.

## **Part 2 — Imposition of insurance duty**

### **207. Insurance duty imposed**

Duty is imposed on the premium paid in relation to a contract of insurance.

### **208. Contracts of insurance**

A *contract of insurance* is a contract that effects general insurance (whether or not it also effects other kinds of insurance).

### **209. General insurance and connection to the State**

- (1) *General insurance* is any kind of insurance that is applicable to —
  - (a) property in Western Australia; or
  - (b) a risk, contingency or event concerning an act or omission that, in the normal course of events, may occur within, or partly within, Western Australia,or both.
- (2) *General insurance* does not include any of the following —
  - (a) life insurance;

- (b) insurance against an employer's liability to pay compensation under the *Workers' Compensation and Injury Management Act 1981*;
- (c) reinsurance (that is, the indemnification of one party by another against liability or payment arising under a contract or contracts of insurance or reinsurance);
- (d) insurance in respect of goods in the course of being transported, whether by rail, road, air or sea, and whether within Western Australia or elsewhere;
- (e) insurance in respect of a marine hull used primarily for commercial purposes;
- (f) insurance effected by an exempt body;
- (g) insurance issued by a private health insurer (as defined in the *Private Health Insurance Act 2007* (Commonwealth) Schedule 1) in the course of its health insurance business (as defined in section 121-1 of that Act);
- (h) insurance under the Defence Service Homes Insurance Scheme (as defined in the *Defence Service Homes Act 1918* (Commonwealth) section 38);
- (i) offshore risk insurance;
- (j) insurance of a prescribed class.

**210. Additional insurance — life riders**

- (1) This section does not apply to a policy of life insurance unless the insured person's place of residence is in Western Australia.
- (2) If —
  - (a) a policy of life insurance, in addition to providing life insurance, also provides for the payment of a benefit on the happening of a contingency or event that does not relate to or depend on a life or lives (the ***additional insurance***); and

- (b) an identifiable part of the premium payable in respect of the policy is attributable to the additional insurance, the additional insurance provided under or in accordance with the policy is taken to be general insurance and not life insurance for the purposes of this Chapter.
- (3) Subsection (2) applies —
  - (a) whether or not the life insurance and the additional insurance are distinct matters; and
  - (b) whether or not payment of a benefit under the additional insurance component of the policy —
    - (i) will or may reduce the benefit payable under the life insurance component of the policy; or
    - (ii) will or may terminate the policy.

**211. The term “premium”**

A *premium* is the total consideration paid to an insurer by or on behalf of an insured person to effect insurance, without deductions for any amounts paid or payable, or allowed or allowable, by way of commission or discount to an intermediary of the insurer, other than —

- (a) an amount paid to an intermediary of the insurer by the insured person as a fee if the amount can be identified as a fee; or
- (b) an amount paid to take account of duty or interstate duty.

**212. When a premium is paid**

For the purposes of this Chapter, a premium or an instalment of a premium is paid when the first of the following events occurs —

- (a) the premium or the instalment is received by or on behalf of the insurer;

- (b) an account of the insurer is credited with the amount of the premium or the instalment.

### **Part 3 — Collection of insurance duty**

#### **Division 1 — Liability**

##### **213. Person liable to pay duty**

Duty chargeable on the premium paid in relation to a contract of insurance is payable by —

- (a) the insurer — if the insurer is a general insurer; or
- (b) the insured person — if the insurer is not a general insurer.

##### **214. The term “general insurer”**

Any of the following insurers is a *general insurer* —

- (a) an insurer that is either —
  - (i) authorised under the *Insurance Act 1973* (Commonwealth); or
  - (ii) registered under the *Life Insurance Act 1995* (Commonwealth);
- (b) the Insurance Commission of Western Australia and any similar body of another State or a Territory that is prescribed for the purposes of this definition.

#### **Division 2 — Amount of insurance duty**

##### **215. Amount of duty payable**

The amount of duty payable on a premium, or an instalment of a premium, is 10% of the amount of the premium, or instalment, that is attributable to general insurance.



**216. Apportionment of premiums and instalments**

- (1) This section applies to a contract of insurance that effects both general insurance and one or more other kinds of insurance.
- (2) The proportion of the premium that is attributable to general insurance is to be determined in accordance with the Apportionment Schedule or Schedules published by the Commissioner from time to time.
- (3) The Commissioner must give notice in the *Gazette* of the publication of an Apportionment Schedule and include details of how a copy of the Schedule may be obtained.
- (4) The Apportionment Schedule or Schedules are to provide the means for apportioning premiums having regard to —
  - (a) the principle that duty is chargeable on a premium paid in relation to a contract of insurance to the extent to which the contract of insurance is for general insurance; and
  - (b) avoiding payment of multiple duty as between Australian jurisdictions; and
  - (c) giving Australian jurisdictions their appropriate share of duty by means of the apportionment.
- (5) A method of apportionment in an Apportionment Schedule may, for a particular class of contract of insurance, have the effect that the proportion of the premium that is attributable to general insurance is zero.
- (6) If a premium has not been, or cannot be, appropriately apportioned under subsection (2), the Commissioner may —
  - (a) determine the appropriate proportions; and
  - (b) if necessary — reassess the amount of duty payable in relation to the contract of insurance.
- (7) The extent to which an instalment of a premium is attributable to general insurance is the same as the extent to which the premium is attributable to general insurance.

### **Division 3 — Insurers**

#### **217. Insurers to be registered**

- (1) On becoming a general insurer, the insurer must apply to be registered under section 218.
- (2) An application for registration must be made in the approved form on or before the 21<sup>st</sup> day after the end of the month in which the insurer became a general insurer.  
Penalty: a fine of \$20 000.

#### **218. Registration of insurers**

- (1) The Commissioner must register a general insurer that applies for registration.
- (2) The Commissioner must register a general insurer that has not applied for registration if satisfied that the insurer ought to be registered for the purposes of this Chapter.
- (3) The Commissioner must give notice to a general insurer of its registration.

#### **219. Return period of an insurer**

The return period of a registered insurer is —

- (a) if a special tax return arrangement is not in force — one month; or
- (b) the return period provided in a special tax return arrangement in force under the Taxation Administration Act section 49.

#### **220. Insurers to lodge returns**

- (1) A registered insurer must lodge a return in the approved form for each return period of the insurer on or before the 21<sup>st</sup> day after the end of the return period.



- (2) The Commissioner is not to cancel a general insurer's registration unless registration of the insurer is no longer necessary for the purposes of this Chapter.
- (3) A cancellation has effect on and from the day specified in the notice of cancellation of registration, which may be a day that is earlier than the day on which the notice is issued.

#### **Division 4 — Insured persons**

##### **223. Insured persons to lodge statements**

- (1) A person liable to pay duty on a premium under section 213(b) (an *insured person*) must lodge a statement in the approved form on or before the 21<sup>st</sup> day after the end of the month, or each month, in which the person paid the premium, or an instalment of the premium.
- (2) A person that does not lodge a statement in accordance with subsection (1) commits an offence.  
Penalty: a fine of \$5 000.
- (3) If a document contains all the information required in a statement referred to in subsection (1), the document may be lodged instead of the statement and, if it is, the person does not commit an offence under subsection (2).

##### **224. Time for payment of duty by insured persons**

The duty on a premium, or instalment of a premium, paid by an insured person in a month is due for payment on the last day for lodging the statement under section 223(1) for that month.

#### **Part 4 — General provisions as to insurance duty**

##### **225. Insurer and intermediary to notify Commissioner of contracts of insurance**

- (1) An insurer that is not a general insurer must, for each month in which the insurer is paid a premium or an instalment of a



**226. Refunds**

(1) If —

- (a) a general insurer has paid duty in respect of a contract of insurance; and
- (b) the insurer has refunded some or all of the premium for the contract,

the insurer is entitled to a refund of the duty paid to the extent to which the premium was refunded.

(2) If —

- (a) a person has paid duty in respect of a contract of insurance; and
- (b) the insurer has refunded some or all of the premium for the contract,

the person is entitled to a refund of the duty paid to the extent to which the premium was refunded.

(3) For the purposes of this section, an insurer refunds an amount of a premium if the insurer or an intermediary of the insurer —

- (a) repays the amount to the insured person; or
- (b) otherwise provides a benefit to the insured person to the value of the amount refunded.

**227. Records**

(1) A person that is liable to pay duty must keep —

- (a) the records that are prescribed for the purposes of this section (if any); and
- (b) any other records necessary to enable the Commissioner to determine the person's liability to pay duty.

Penalty: a fine of \$20 000.

(2) A person referred to in section 225(1) or (2) must keep the records necessary to enable the Commissioner to verify the information in any notice.



## **Chapter 5 — Vehicle licence duty**

### **Part 1 — Preliminary**

#### **228. Terms used in this Chapter**

In this Chapter, unless the contrary intention appears —

**caravan** means a trailer (including a camper trailer) permanently fitted for human habitation in the course of a journey;

**charitable organisation** means a charitable institution or public benevolent institution endorsed by the Commissioner of Taxation of the Commonwealth under the *Income Tax Assessment Act 1997* (Commonwealth) as a deductible gift recipient or as exempt from income tax;

**corresponding State law** means a law of another State or a Territory that corresponds to the Road Traffic Act;

**dealer** means any of the following —

- (a) a person that carries on the business of selling new vehicles;
- (b) a person that is the holder of a dealer's licence under the *Motor Vehicle Dealers Act 1973*;
- (c) a person that carries on the business of acquiring new or used vehicles for resale or disposal under hire purchase or leasing agreements;
- (d) a person that, in the course of the person's business, takes possession of and resells vehicles that are the subject of mortgages, charges or hire purchase or leasing agreements;

**Director General** means the chief executive officer of the department of the Public Service principally assisting in the administration of the provisions that the Road Traffic Act section 5 defines as the "licensing provisions of this Act";

**duty** means duty under this Chapter;





## **Part 3 — Collection of vehicle licence duty**

### **Division 1 — Preliminary**

#### **231. Terms used in this Part**

In this Part —

***dutiable value***, of a vehicle, means the dutiable value worked out in respect of the vehicle under Division 5;

***optional feature***, of a vehicle, means a feature of any of the following types that is not a standard feature of a vehicle of that make and model —

- (a) any particular kind of transmission in a vehicle;
- (b) any particular kind of engine in a vehicle;
- (c) any other prescribed feature in or of a vehicle;

***purchase price***, in respect of a vehicle, includes any of the following —

- (a) an amount allowed by the seller on a trade-in or an exchange of any article;
- (b) an amount paid to the seller for anything included with or incorporated into the vehicle;
- (c) an amount paid to the seller for the preparation of the vehicle for delivery to the purchaser;

***specialised equipment*** means any of the following —

- (a) a crane;
- (b) an excavator, road roller, road grader, bulldozer, mechanical shovel, plough, rotary hoe or similar plant;
- (c) hoisting equipment for lifting, partially lifting or towing other vehicles;
- (d) bitumen spraying equipment;
- (e) a cement agitator;
- (f) garbage collection equipment;
- (g) road sweeping equipment;

- (h) a refrigeration unit;
- (i) a stock crate;
- (j) a tank for transporting liquids;
- (k) equipment to make the vehicle habitable by a person in the course of a journey;
- (l) any similar plant or equipment;

**specialised vehicle** means a motor vehicle that —

- (a) is constructed or designed, or has been modified, to include or have specialised equipment permanently attached to it; and
- (b) is designed to be driven or controlled by a person carried in or on the vehicle.

### **Division 2 — Liability**

#### **232. Person liable to pay duty**

- (1) Duty chargeable on the grant or transfer of a licence for a vehicle is payable by the person in whose name the licence for the vehicle is granted, or the transferee.
- (2) A person that ceases to be the owner of a vehicle, or a dealer that sells a new vehicle, is also liable to pay the duty chargeable on the grant or transfer of the licence for the vehicle in the circumstances and to the extent set out in section 252.

### **Division 3 — Assessment and payment of vehicle licence duty**

#### **233. Assessment of duty**

- (1) When an application is made for the grant or transfer of a licence for a vehicle the Director General must assess the amount of duty payable on the grant or transfer.
- (2) The assessment is to be based on the dutiable value of the vehicle at the time of the grant or transfer of the licence unless a provision of this Chapter otherwise provides.

- (3) An assessment made under subsection (1) is taken to be an official assessment for the purposes of the Taxation Administration Act.

**234. Applicant's statement of value in application**

- (1) A person that applies for the grant or transfer of a licence for a vehicle must include in the application a statement signed by the applicant setting out —
- (a) the applicant's estimate of the dutiable value of the vehicle at the time of the application; and
  - (b) if the applicant is a purchaser of the vehicle — the purchase price of the vehicle.

Penalty: a fine of \$20 000.

- (2) For the purpose of determining the dutiable value of the vehicle the Director General may, by notice given to the applicant, require the applicant to give the Director General evidence of the dutiable value of the vehicle.

- (3) The applicant must comply with the requirement in subsection (2) within the period stated in the notice.

Penalty: a fine of \$20 000.

- (4) This section does not apply to, or in respect of, a person if —
- (a) under Part 4 Division 1 or 2 — duty is not chargeable on the grant or transfer of a licence for the vehicle; or
  - (b) under Part 4 Division 3 — nominal duty is chargeable on the grant or transfer of a licence for the vehicle.

**235. Payment of duty**

Duty chargeable on the grant or transfer of a licence for a vehicle and any penalty tax is payable —

- (a) to the Director General in accordance with the Road Traffic Act; or

- (b) if an assessment is made by the Commissioner — in accordance with the Taxation Administration Act.

#### **Division 4 — Amount of vehicle licence duty**

#### **236. Amount of duty payable**

- (1) The amount of duty payable on the grant or transfer of a licence for a vehicle is worked out under this section (rounded down to the nearest 5 cents) unless section 250 applies to the grant or transfer of the licence.
- (2) For the grant or transfer of a licence for a vehicle that is not a heavy vehicle, the amount of duty is —
- (a) if the dutiable value of the vehicle does not exceed \$25 000 — 2.75% of the dutiable value; or
- (b) if the dutiable value of the vehicle exceeds \$25 000 but does not exceed \$50 000 — R% of the dutiable value, where R is determined in accordance with the following formula —

$$R = \left[ 2.75 + \left( \frac{DV - 25000}{6666.66} \right) \right]$$

(rounded to 2 decimal places);

where —

DV is the dutiable value;

or

- (c) if the dutiable value of the vehicle exceeds \$50 000 — 6.5% of the dutiable value.
- (3) For the grant or transfer of a licence for a heavy vehicle, the amount of duty is the lesser of —
- (a) 3% of the dutiable value; and
- (b) \$12 000.

*[Section 236 amended by No. 12 of 2008 s. 24.]*

### **Division 5 — Dutiable value of a vehicle**

#### **237. Dutiable value of certain new vehicles**

- (1) The dutiable value of a vehicle —
  - (a) that is a new vehicle; and
  - (b) that is of a class prescribed for the purposes of this section; and
  - (c) for which a price has been fixed by the manufacturer, importer or principal distributor as the retail selling price in Western Australia of a vehicle of that make and model,is the sum of —
  - (d) the price fixed as described in paragraph (c); and
  - (e) for each optional feature in or of the vehicle — the additional amount fixed by the manufacturer, importer or principal distributor for the retail sale in Western Australia of the optional feature.
- (2) This section has effect subject to section 239.

#### **238. Dutiable value of certain other vehicles**

- (1) The dutiable value of a vehicle that is not a vehicle to which section 237 applies is the amount for which the vehicle might reasonably be sold, free of encumbrances, in the open market.
- (2) This section has effect subject to section 239.

#### **239. Dutiable value of specialised vehicles**

- (1) Section 237 or 238 (whichever is relevant) applies in respect of a vehicle that is a specialised vehicle (**vehicle B**), as if the specialised equipment attached to it at the time of the application for the grant or transfer of the licence for the vehicle were not attached to it, if —
  - (a) the applicant holds, or previously held, the licence for another specialised vehicle (**vehicle A**); and

- (b) the applicant is the last person to hold a licence for vehicle A; and
- (c) the duty paid by the applicant on the grant or transfer of the licence for vehicle A was assessed on the dutiable value of vehicle A including the value of the specialised equipment that was then attached to it; and
- (d) the specialised equipment referred to in paragraph (c) has been removed from vehicle A and attached to vehicle B; and
- (e) the application for the grant or transfer of the licence for vehicle B is accompanied by, or includes, a declaration in the approved form to the effect that, in the applicant's opinion, the circumstances in paragraphs (a) to (d) apply and that the applicant understands the effect of subsections (2) and (3).

(2) If —

- (a) duty on the grant or transfer of a licence for a specialised vehicle to a person was assessed on a dutiable value worked out under subsection (1); and
- (b) while that person holds the licence for that vehicle it is used with specialised equipment other than the equipment that was attached to it at the time the application for the grant or transfer of the licence was made (the *original equipment*),

the person must not attach the original equipment to any other vehicle for which the licensee intends to become the licence holder.

Penalty: a fine of \$20 000.

(3) If a person contravenes subsection (2) —

- (a) subsection (1) is taken not to have applied in respect of the vehicle at the time of the grant or transfer of the licence for the vehicle; and

- (b) penalty tax is imposed on the grant or transfer of the licence of an amount equal to the difference between —
  - (i) the amount of duty that was originally payable on the grant or transfer; and
  - (ii) the amount of duty payable because of paragraph (a);and
- (c) the penalty tax and the unpaid amount of the duty payable because of paragraph (a) is due for payment within one month after the date of an assessment notice issued in relation to an assessment of the duty and penalty tax.

## **Part 4 — Exemptions and nominal duty**

### **Division 1 — Exemptions — general**

#### **240. If no vehicle licence fee payable under Road Traffic Act**

- (1) Duty is not chargeable on the grant of a licence for a vehicle if no fee is payable under the Road Traffic Act section 19(3).
- (2) Duty is not chargeable on the transfer of a licence for a vehicle if no fee would have been payable under the Road Traffic Act section 19(3) for the grant of a licence to the transferee for the vehicle on the day of the transfer.

#### **241. Reconstruction exemption**

Duty is not chargeable on the transfer of a licence for a vehicle if an exemption certificate issued under section 263(3)(a) in respect of the transfer is given to the Director General.

#### **242. Previous licence or registration**

- (1) Duty is not chargeable on the grant of a licence for a vehicle to a person if the vehicle was, before the grant of that licence, last licensed or registered in that person's name under —
  - (a) the Road Traffic Act; or



- (b) a corresponding State law; or
  - (c) a law of a country other than Australia that corresponds to the Road Traffic Act.
- (2) Subsection (1) does not apply to the grant of a licence to a person for a heavy vehicle that was, before the grant of that licence, last licensed or registered in the person's name under a corresponding State law if the vehicle was registered in that person's name under the *Interstate Road Transport Act 1985* (Commonwealth) on or after 16 January 1997.
- (3) Subsection (1) does not apply to the grant of a licence for a vehicle, or is taken not to have applied to the grant of a licence for a vehicle at the time of the grant, if the Commissioner is satisfied, or becomes satisfied after the grant of the licence, that the vehicle was licensed or registered outside of Western Australia as part of a course of action or conduct having the sole or dominant purpose of avoiding or reducing duty.
- (4) The duty chargeable because of subsection (3) is due for payment within one month after the date of an assessment notice issued in relation to an assessment of that duty.
- (5) In this section, a reference to a vehicle includes a reference to a vehicle that was modified or that was part of a vehicle that was modified, whether or not the vehicle that resulted from the modification needed to meet a standard or requirement before it could be licensed that was different to the one that the original vehicle had to meet.

### **243. Certain heavy vehicles**

Duty is not chargeable on the grant of a licence for a heavy vehicle to a person if —

- (a) the vehicle was, immediately before 16 January 1997, registered in that person's name under the *Interstate Road Transport Act 1985* (Commonwealth); and
- (b) since 16 January 1997, no licence or registration has been granted under the Road Traffic Act or a

corresponding State law for the vehicle in any other person's name.

**244. Prescribed class of person or vehicle or prescribed purpose**

Duty is not chargeable on the grant of a licence for a vehicle to a person if —

- (a) the vehicle is in a prescribed class of vehicle; and
- (b) the person is in a prescribed class of person; and
- (c) the vehicle is used, or to be used, for a prescribed purpose.

**Division 2 — Exemptions — motor vehicle dealers**

**245. Minor incidental purposes**

A reference in this Division to the use of a vehicle for a purpose referred to in section 246(1) or (2) or 247(1) includes a reference to its use for that purpose and for minor incidental purposes.

**246. Exempt use of a vehicle — trading stock**

- (1) Duty is not chargeable on the grant of a licence for a vehicle to a dealer if —
  - (a) the dealer acquired the vehicle solely for the purpose of —
    - (i) selling it to another person in the ordinary course of the dealer's business; or
    - (ii) demonstrating it to prospective purchasers;and
  - (b) the application for the grant of the licence is accompanied by, or includes, a declaration in the approved form to the effect that —
    - (i) while the dealer holds the licence the vehicle will not be used for any purpose other than a purpose

- 
- referred to in paragraph (a) or section 247(1)(a);  
and
- (ii) the dealer understands the effect of sections 248 and 249.
- (2) Duty is not chargeable on the transfer of a licence for a vehicle to a dealer, if —
- (a) the dealer has acquired the vehicle solely for the purpose of reselling it to another person in the ordinary course of the dealer's business; and
- (b) the application for the transfer of the licence is accompanied by, or includes, a declaration in the approved form to the effect that —
- (i) while the dealer holds the licence the vehicle will not be used for any purpose other than a purpose referred to in paragraph (a) or section 247(1)(a);  
and
- (ii) the dealer understands the effect of sections 248 and 249.

**247. Exempt use of a vehicle — charitable and other purposes**

- (1) Duty is not chargeable on the grant or transfer of a licence for a vehicle to a dealer if —
- (a) the vehicle is to be loaned by the dealer —
- (i) to a charitable organisation to be used solely for providing assistance to underprivileged or disadvantaged persons; or
- (ii) to a charitable organisation to be used solely for providing emergency assistance; or
- (iii) to a school (within the meaning given in the *School Education Act 1999*) to be used solely for student driver training; or
- (iv) to an individual solely for a philanthropic purpose approved by the Commissioner; or

- (v) solely for a prescribed purpose;  
and
- (b) the application for the grant or transfer of the licence is accompanied by, or includes, a declaration in the approved form to the effect that —
  - (i) while the dealer holds the licence the vehicle will not be used for any purpose other than a purpose referred to in paragraph (a) or section 246(1) or (2); and
  - (ii) the dealer understands the effect of sections 248 and 249.
- (2) The Commissioner may approve a philanthropic purpose for the purposes of subsection (1)(a)(iv) for a particular dealer or class of dealer, and the approval may take effect from a day that is earlier than the day on which the Commissioner grants the approval.
- (3) Subject to the Taxation Administration Act section 17, the Commissioner must make any reassessment necessary to give effect to subsection (2).

**248. Change of exempt use of a vehicle**

If, under section 246(1) or (2) or 247(1), no duty was chargeable on the grant or transfer of a licence for a vehicle to a dealer and the dealer uses, or allows another person to use, the vehicle for a different purpose referred to in section 246(1) or (2) or 247(1), the dealer must notify the Commissioner, in the approved form, of the change in use within one month after the day on which the use of the vehicle changed.

Penalty: a fine of \$5 000.

**249. Change to non-exempt use of a vehicle**

- (1) If, under section 246(1) or (2) or 247(1), no duty was chargeable on the grant or transfer of a licence for a vehicle to a person that is or was a dealer, then while the person remains the licensee of

the vehicle the person must not use, or allow any other person to use, the vehicle for a purpose other than a purpose referred to in section 246(1) or (2) or 247(1) unless the person notifies the Commissioner, in the approved form, of the change in use within one month after the day on which the use of the vehicle changed.

Penalty: a fine of \$20 000.

- (2) If a person notifies the Commissioner as required under subsection (1) —
  - (a) section 246 or 247 (whichever is relevant) is taken not to have applied to the grant or transfer of the licence at the time of the grant or transfer of the licence; and
  - (b) the duty chargeable on the grant or transfer of the licence because of paragraph (a) is due for payment within one month after the date of an assessment notice issued in relation to an assessment of that duty.
- (3) If duty is chargeable on the grant or transfer of the licence because of subsection (2)(a), then, for the purposes of working out the amount of duty payable, the dutiable value of the vehicle is to be determined as at the time of the change in use.
- (4) If a person contravenes subsection (1) —
  - (a) section 246 or 247 (whichever is relevant) is taken not to have applied to the grant or transfer of the licence at the time of the grant or transfer of the licence; and
  - (b) penalty tax is imposed on the grant or transfer of the licence of an amount equal to the amount of duty payable on the grant or transfer of the licence because of paragraph (a); and
  - (c) the duty and penalty tax is due for payment within one month after the date of an assessment notice issued in relation to an assessment of the duty and penalty tax.

**Division 3 — Nominal duty**

**250. Transactions for which nominal duty is chargeable**

- (1) This section applies to the transfer of a licence for a vehicle that is the result of a transfer of the vehicle within the meaning of Chapter 2.
- (2) If, on application, the Commissioner is satisfied that —
  - (a) if the transfer of the vehicle were to be treated as a dutiable transaction — section 29, 114, 115, 116 or 119 would apply to the transfer; and
  - (b) nominal duty would be chargeable under that section as so applying,

nominal duty is chargeable on the transfer of the licence and the Commissioner may issue a certificate under this section to that effect.

- (3) If, on application, the Commissioner is satisfied that —
  - (a) the transfer of the vehicle is of a class prescribed for the purposes of this subsection; and
  - (b) the transfer does not pass, or is not part of a scheme or arrangement that passes, a beneficial interest in the vehicle,

nominal duty is chargeable on the transfer of the licence and the Commissioner may issue a certificate under this section to that effect.

- (4) An application for a certificate must be in the approved form.
- (5) If the transfer of the vehicle were to be treated as a dutiable transaction and nominal duty would be chargeable on the transfer under section 131 or 139, nominal duty is payable on the transfer of the licence.
- (6) If —

- (a) the transfer of the licence was chargeable with duty other than nominal duty; and
- (b) the transfer of the vehicle was effected by or is in accordance with —
  - (i) a matrimonial instrument or de facto relationship instrument that came into existence; or
  - (ii) an instrument that became a matrimonial instrument or de facto relationship instrument, within the period of 12 months after the day on which liability to duty arose,

the Commissioner, on the application of the taxpayer, is to reassess the liability to duty of the transfer of the licence under subsection (5) as if the transfer of the vehicle were treated as a dutiable transaction.

- (7) For the purposes of subsection (6), the Taxation Administration Act section 17 applies as if references in subsections (1) and (4) of that section to when the original assessment was made were references to —
  - (a) the day on which the matrimonial instrument or de facto relationship instrument came into existence; or
  - (b) the day on which the instrument became a matrimonial instrument or de facto relationship instrument,as the case may be.
- (8) If this section uses a term that is used in Chapter 2, the term has the same meaning in this section as it has in Chapter 2 unless the contrary intention appears in this section.

## **Part 5 — General provisions as to vehicle licence duty**

### **251. Failure to apply for transfer of licence**

- (1) If a person fails to apply for the transfer of a licence for a vehicle when required to do so by the Road Traffic Act then, for the purposes of assessing duty —

- (a) the transfer of the licence is taken to have occurred on the day chosen by the Commissioner; and
  - (b) the failure is taken to be a contravention of a taxation Act for the purposes of the Taxation Administration Act section 26.
- (2) In choosing a day under subsection (1)(a), the Commissioner is to choose a day on which, in the ordinary course of events, the transfer would have been likely to have occurred if the person had complied with the person's obligations under the Road Traffic Act and this Act.

**252. Seller's obligation to notify purchase price**

- (1) A person that ceases to be the owner of a vehicle and is required under the Road Traffic Act to notify the Director General of the new owner must include in that notice a statement signed by the person setting out —
- (a) the purchase price (if any) of the vehicle; and
  - (b) the person's estimate of the dutiable value of the vehicle at the time the person ceased to be the owner of it.

Penalty: a fine of \$20 000.

- (2) Subsection (1) does not apply to a person if —
- (a) under Part 4 Division 1 or 2 — duty is not chargeable on the grant or transfer of a licence for the vehicle; or
  - (b) under Part 4 Division 3 — nominal duty is chargeable on the grant or transfer of a licence for the vehicle.
- (3) A dealer that sells a new vehicle must, within 7 days after the day of the sale, give to the Director General a statement signed by the dealer setting out —
- (a) the purchase price of the vehicle; and
  - (b) the dealer's estimate of the dutiable value of the vehicle at the time the vehicle was sold.

Penalty: a fine of \$20 000.





**255. Duty to be credited to Commissioner**

The Director General must, in accordance with any agreement between the Director General and the Commissioner —

- (a) give to the Commissioner details of licences granted or transferred and the duty and any penalty tax paid in respect of them; and
- (b) credit that duty and penalty tax to the Commissioner.

**256. Records**

A dealer must keep —

- (a) the records that are prescribed for the purposes of this Chapter (if any); and
- (b) any other records necessary to enable the Commissioner to determine the dealer's liability to pay duty.

Penalty: a fine of \$20 000.

## Chapter 6 — Certain exemptions for connected entities

### 257. Terms used in this Chapter

- (1) In this Chapter, unless the contrary intention appears —

*entity* means —

- (a) a corporation; or
- (b) a unit trust scheme;

*exemption* means an exemption granted under section 263(1);

*family* has the meaning given in section 258;

*parent entity* has the meaning given in subsection (2);

*relevant consolidation transaction* has the meaning given in section 259;

*relevant reconstruction transaction* has the meaning given in section 260;

*relevant transaction* means —

- (a) a relevant consolidation transaction; or
- (b) a relevant reconstruction transaction;

*security*, of an entity, means —

- (a) if the entity is a corporation, an issued share of the corporation; or
- (b) if the entity is a unit trust scheme, a unit issued under the scheme;

*subsidiary* has the meaning given in subsection (2);

*transaction group* for a relevant consolidation transaction means the head entity and the affected entity;

*transaction group* for a relevant reconstruction transaction means —

- (a) those members of the family that are parties to the transaction; and

- (b) any other member of the family whose holdings of securities and control of votes mean, under subsection (2) —
  - (i) that the relationship between the parties to the transaction is that of a parent entity and a subsidiary; or
  - (ii) if the parties are not so related, that the parties are subsidiaries of the same parent entity.
- (2) If a corporation, or the trustee of a unit trust scheme as trustee, (“A”) directly or indirectly —
  - (a) holds at least 90% of the securities of another entity (“B”); and
  - (b) controls (either by being able to cast or to control the casting of) at least 90% of the maximum number of votes that may be cast at a general meeting of B,

then, for the purposes of this Chapter, A is the parent entity of B and B is a subsidiary of A.

**258. The term “family”**

- (1) A parent entity and its subsidiaries are members of a family.
- (2) If all of the securities of an entity are stapled to the securities of one or more other entities, all of the entities and their subsidiaries are members of a family.

**259. The term “relevant consolidation transaction”**

- (1) In this section —

*corporate consolidation* means the formation of a family by the interposition of an entity (the *head entity*) between another entity (the *affected entity*) and the holders of the affected entity’s securities.
- (2) Subject to this section, a *relevant consolidation transaction* is any acquisition on which landholder duty is chargeable that is

made solely for the purposes of a corporate consolidation and that is —

- (a) an acquisition of securities of the affected entity by the head entity for which the only consideration given by the head entity is the issue or transfer of its securities to the person from whom the affected entity's securities were acquired; or
  - (b) an acquisition of securities of the head entity by a holder of securities of the affected entity.
- (3) An acquisition is not a *relevant consolidation transaction* if, immediately before the acquisition, the head entity held dutiable property or a vehicle or an interest in an entity.
- (4) An acquisition is not a *relevant consolidation transaction* unless, immediately after the issue or transfer of the head entity's securities —
- (a) each person that holds those securities (a *security holder*) is a person that held securities of the affected entity immediately before the securities of the affected entity were acquired by the head entity; and
  - (b) the proportion of those securities that each security holder holds is the same proportion as that security holder held of the securities of the affected entity.

**260. The term “relevant reconstruction transaction”**

- (1) Subject to this section, any of the following is a *relevant reconstruction transaction* —
- (a) any of the following dutiable transactions, if transfer duty is chargeable —
    - (i) an agreement, whether conditional or not, for the transfer of dutiable property from one member of a family to another member of the family;
    - (ii) a transfer of dutiable property from one member of a family to another member of the family;

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- (iii) a declaration of trust over dutiable property under which one member of a family holds the property on trust for another member of the family;
  - (iv) a vesting of dutiable property held by one member of a family in another member of the family;
  - (v) a surrender of special dutiable property, within the meaning of section 18, if the special dutiable property is surrendered by one member of a family to another member of the family;
  - (b) a transfer of a licence for a vehicle from one member of a family to another member of the family, if vehicle licence duty is chargeable;
  - [(c) deleted]*
  - (d) an acquisition by one member of a family from another member of the family of an interest in an entity, if landholder duty is chargeable.
- (2) A transaction referred to in subsection (1)(a) is not a **relevant reconstruction transaction** if, immediately before the transaction, the dutiable property is held, or the transaction results in the property being held, subject to a discretionary trust.
- (3) A transfer referred to in subsection (1)(b) is not a **relevant reconstruction transaction** if, immediately before or immediately after the transfer, the vehicle is held subject to a discretionary trust.
- (4) An acquisition referred to in subsection (1)(d) is not a **relevant reconstruction transaction** if, immediately before the acquisition, the interest is held, or the acquisition results in the interest being held, subject to a discretionary trust.

*[Section 260 amended by No. 9 of 2010 s. 5.]*

**261. Pre-determining certain questions**

- (1) In this section —  
*pre-transaction decision request* means a request made under subsection (2), (3) or (4).
- (2) A person proposing to enter into a relevant transaction may ask the Commissioner to decide whether, if the transaction were entered into, it would be exempted.
- (3) A person proposing to enter into a relevant transaction may ask the Commissioner to decide whether, if the transaction were entered into and exempted, the Commissioner, under section 265, would revoke the exemption.
- (4) A person proposing to enter into a transaction may ask the Commissioner to decide whether, if the transaction were entered into, the Commissioner, under section 265, would revoke the exemption granted for a relevant transaction.
- (5) A pre-transaction decision request must be made in the approved form.
- (6) The Commissioner may, as often as the Commissioner thinks fit, ask a person that has made a pre-transaction decision request for any information the Commissioner needs to make the decision requested.
- (7) The Commissioner may refuse a pre-transaction decision request if —
  - (a) the transaction to which the request relates has been entered into; or
  - (b) the request does not differ materially from another pre-transaction decision request that was made previously; or
  - (c) a request made by the Commissioner under subsection (6) is not satisfied.

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- (8) If the Commissioner is given the information needed to make the decision requested in a pre-transaction decision request, the Commissioner must make the decision and give written notice of it to the person that made the request.
- (9) In making a decision requested in a pre-transaction decision request, the Commissioner may have regard to —
  - (a) information provided by the person that made the request; and
  - (b) any other matter the Commissioner considers relevant.
- (10) If the Commissioner makes a decision on a pre-transaction decision request in relation to a transaction, and the transaction is subsequently entered into, the Commissioner is bound by the decision in respect of the transaction unless —
  - (a) the transaction, or any circumstance relating to it, differs materially from the transaction or circumstances to which the request related; or
  - (b) any information relevant to the transaction, or to any circumstance relating to it, differs materially from the information given to the Commissioner in relation to the request; or
  - (c) the Commissioner considers that there was not a full and true disclosure to the Commissioner of information in relation to the request.

**262. Application for exemption**

- (1) In this section —

***exemption application*** means an application for an exemption.
- (2) An exemption application for a relevant transaction cannot be made by applying under the Taxation Administration Act for a reassessment for the transaction.



- (3) An exemption application for a relevant transaction must be made —
- (a) not later than 12 months after the date of the transaction; and
  - (b) by lodging an application in the approved form.

*[Section 262 amended by No. 17 of 2010 s. 16.]*

**263. Grant of exemption**

- (1) If, on an exemption application made in accordance with section 262, it is shown to the satisfaction of the Commissioner that —
- (a) there has been a relevant transaction; or
  - (b) a relevant reconstruction transaction referred to in section 260(1)(b) will occur,
- the Commissioner must exempt the transaction from the duty that would otherwise be chargeable unless subsection (4) applies.
- (2) If an assessment for a relevant transaction was made before it is exempted, the Commissioner must reassess the transaction.
- (3) If an assessment for a relevant transaction was not made before it is exempted, the Commissioner must —
- (a) if the transaction is one referred to in section 260(1)(b) — issue a certificate of the exemption to the applicant; or
  - (b) otherwise — make an official assessment of the transaction determining that it is exempt from duty.
- (4) An exemption cannot be granted in relation to a relevant transaction if any member of the family has an outstanding tax liability.

**264. Commissioner to be notified of certain events after an exempt relevant transaction**

(1) In this section —

**controlling entity**, in relation to a relevant consolidation transaction, means the head entity;

**controlling entity**, in relation to a relevant reconstruction transaction, means the member of the transaction group for the transaction that is a parent entity of the group immediately before or immediately after the transaction;

**major holder** of an entity, means a person that, directly or indirectly, holds at least 90% of the securities of the entity;

**notifiable event** has the meaning given by subsections (2) and (3);

**responsible person** means —

(a) for a notifiable event that occurs in relation to a relevant transaction as described in subsection (2)(a) —

(i) if the controlling entity is a corporation — each person who is a director of the entity when the winding up begins; or

(ii) if the controlling entity is a unit trust scheme — the trustee of the entity when the winding up begins; or

(iii) if the controlling entity is a unit trust scheme and the trustee of the entity, being a corporation, is wound up — each person who is a director of the trustee when the winding up begins;

or

(b) for a notifiable event that occurs in relation to a relevant transaction as described in subsection (2)(b) —

(i) the controlling entity or, if the controlling entity is wound up, the major holder (if any) of the controlling entity when the winding up begins; and

- (ii) the member of the transaction group referred to in subsection (2)(b);
  - or
  - (c) for a notifiable event that occurs in relation to a relevant transaction as described in subsection (2)(c) — the entities whose securities cease to be stapled.
- (2) Subject to subsection (3), a **notifiable event** occurs in relation to a relevant transaction if —
- (a) the controlling entity is wound up and does not have a major holder when the winding up begins; or
  - (b) the controlling entity or, if the controlling entity is wound up and has a major holder when the winding up begins, the major holder, ceases to directly or indirectly —
    - (i) hold more than 50% of the securities of a member of the transaction group; or
    - (ii) control (either by being able to cast or to control the casting of) more than 50% of the maximum number of votes that may be cast at a general meeting of a member of the transaction group;
- or
- (c) in a case where entities are members of a family because of section 258(2) — securities of the first entity mentioned in section 258(2) cease to be stapled to the securities of another of the entities.
- (3) A cessation referred to in subsection (2)(b) is not a **notifiable event** if it results from —
- (a) the winding up of a member of the transaction group, other than the controlling entity; or
  - (b) a relevant transaction that is the subject of an application made under section 262 for an exemption; or

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- (c) an acquisition that is the subject of —
    - (i) an application made under section 180; or
    - (ii) a statement lodged under section 200;or
  - (d) a prescribed event.
- (4) If a notifiable event occurs in relation to an exempt relevant transaction within 3 years after the date of the transaction, the responsible person for the event must lodge a notice of the event in the approved form within 2 months after the date of the event.  
Penalty: a fine of \$20 000.
- (5) It is a defence to a charge of an offence under subsection (4) to prove that a notice of the event in the approved form was lodged before the alleged date of the offence.

**265. Revoking an exemption**

If the Commissioner determines that an exempt relevant transaction is part of a scheme or arrangement entered into, or carried out, by a person —

- (a) for a purpose of avoiding or reducing duty on a transaction, transfer of licence or acquisition; or
- (b) for the sole or dominant purpose of avoiding or reducing tax other than duty,

the Commissioner may revoke the exemption for the transaction.

**266. Liability for duty and tax if exemption revoked**

- (1) On revoking an exemption for a relevant transaction the Commissioner must make an official assessment for the transaction.
- (2) The official assessment must —
  - (a) determine the amount of duty payable on the relevant transaction as at the date of the transaction; and

- (b) include penalty tax equal to the amount of that duty.
- (3) The following persons are jointly and severally liable to pay the duty chargeable on a relevant transaction and the penalty tax —
- (a) each member of the transaction group;
  - (b) each person liable under subsection (4) or (5).
- (4) If a corporation liable under subsection (3) is voluntarily wound up before the duty and penalty tax are paid, each person who was a director of the corporation immediately before it was wound up is liable to pay the amount unless —
- (a) the winding up was a creditors' voluntary winding up as defined in the Corporations Act section 9; and
  - (b) no creditor was an associate, as defined in the Corporations Act section 9, of the corporation.
- (5) If a unit trust scheme liable under subsection (3) is wound up before the duty and penalty tax are paid, the following persons are liable to pay the amount —
- (a) the trustee of the scheme;
  - (b) if the trustee of the scheme, being a corporation, is wound up — each person who was a director of the trustee immediately before it was wound up.

## **Chapter 7 — General anti-avoidance provisions**

### **267. Schemes affected by this Chapter**

- (1) In this Chapter —  
*scheme* includes the whole or any part of —
- (a) a trust, contract, agreement, arrangement, understanding, promise or undertaking (including all steps and transactions by which it is carried into effect) —
    - (i) whether made or entered into orally or in writing; and
    - (ii) whether express or implied; and
    - (iii) whether or not it is, or is intended to be, enforceable;
  - and
  - (b) a plan, proposal, action, course of action or course of conduct.
- (2) This Chapter applies in relation to a scheme even if it is a unilateral scheme.

### **268. The term “tax avoidance scheme”**

- (1) In this section —  
*foreign tax* means a tax, duty or impost imposed under a law of the Commonwealth, another State, a Territory or a country other than Australia.
- (2) For the purposes of this Chapter a *tax avoidance scheme* is a scheme that a person enters into or carries out —
- (a) for the sole or dominant purpose of enabling —
    - (i) an elimination or reduction in the liability of a person for duty; or
    - (ii) a postponement in the liability of a person for duty;

or

- (b) when any purpose relating to the elimination, reduction or postponement in the liability of a person for foreign tax is disregarded, for the sole or dominant purpose of enabling —
  - (i) an elimination or reduction in the liability of a person for duty; or
  - (ii) a postponement in the liability of a person for duty.
- (3) It does not matter —
  - (a) whether the scheme is entered into or carried out in or outside Western Australia or partly in Western Australia and partly outside Western Australia; or
  - (b) whether a person that enters into or carries out the scheme is a person that is liable to pay duty.

**269. Tax avoidance scheme — pre-determination of section 270 decision**

- (1) In this section —
  - pre-section 270 decision request* means a request made under subsection (2);
  - section 270 decision* means a decision of the Commissioner under section 270 that —
    - (a) a person has entered into or carried out a tax avoidance scheme that is of a blatant, artificial or contrived nature; and
    - (b) the scheme is to be disregarded.
- (2) A person proposing to enter into or carry out a scheme which will relate to a transaction or acquisition or a series of transactions or acquisitions may ask the Commissioner to decide whether the Commissioner would make a section 270 decision in relation to the scheme if it were entered into or carried out by that person.

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- (3) A pre-section 270 decision request must be made in the approved form and must specify each transaction and acquisition to which the scheme in respect of which the request is made will relate.
- (4) The Commissioner may, as often as the Commissioner thinks fit, ask a person that has made a pre-section 270 decision request for —
  - (a) any information the Commissioner needs to be fully informed in relation to each transaction and acquisition to which the scheme in respect of which the request is made will relate; or
  - (b) any other information the Commissioner needs to make the decision requested.
- (5) The Commissioner may refuse a pre-section 270 decision request if —
  - (a) the scheme to which the request relates has been entered into or carried out; or
  - (b) the Commissioner has already made a decision on a pre-section 270 decision request, or a section 270 decision, in relation to the same or a similar scheme or a scheme relating to the same or similar transactions or acquisitions; or
  - (c) the Commissioner has already refused a pre-section 270 decision request under this section made by the same person in relation to the same or a similar scheme or a scheme relating to the same or similar transactions or acquisitions; or
  - (d) a request made by the Commissioner under subsection (4) is not satisfied.
- (6) If the Commissioner is given the information needed to make the decision requested in a pre-section 270 decision request, the Commissioner must make the decision and give written notice of it to the person that made the request.



- (7) In making a determination requested in a pre-section 270 decision request the Commissioner may have regard to —
- (a) information provided by the person that made the request; and
  - (b) any other matter the Commissioner considers relevant.
- (8) If the Commissioner decides on a pre-section 270 decision request that the Commissioner would not make a section 270 decision in relation to the scheme set out in the request, and the scheme is subsequently entered into or carried out, the Commissioner must not make a section 270 decision in relation to the scheme unless —
- (a) the scheme that is entered into or carried out, or any circumstance relating to it, differs materially from the scheme or circumstances to which the request related; or
  - (b) any information relevant to the scheme that is entered into or carried out, or to any circumstance relating to it, differs materially from the information given to the Commissioner in relation to the request; or
  - (c) the Commissioner considers that there was not a full and true disclosure to the Commissioner of information in relation to the request.

**270. Decision of Commissioner about tax avoidance scheme**

- (1) If the Commissioner decides that a person has entered into or carried out a tax avoidance scheme that is of a blatant, artificial or contrived nature, the Commissioner may disregard the scheme.
- (2) If a tax avoidance scheme is disregarded under subsection (1), the Commissioner must —
- (a) determine the duty which would have been payable, or could reasonably have been expected to be payable, by any person that entered into or carried out the scheme, or any other person, but for the scheme; and
  - (b) give effect to that determination by making —

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- (i) an official assessment under the Taxation Administration Act section 15; and
  - (ii) any reassessment the Commissioner considers necessary.
- (3) The Commissioner must have regard to the following matters when making a decision under subsection (1) —
  - (a) the way in which the scheme was entered into or carried out;
  - (b) the form and substance of the scheme, including —
    - (i) the legal rights and obligations involved in the scheme; and
    - (ii) the economic and commercial substance of the scheme;
  - (c) when the scheme was entered into and the length of the period during which the scheme was, or is to be, carried out;
  - (d) any change to a person's financial position, or any other consequence, that has resulted, will result or may reasonably be expected to result from the scheme having been entered into or carried out;
  - (e) the nature of the connection, whether of a business, family or other nature, between the person that has entered into or carried out the scheme and any person mentioned in paragraph (d);
  - (f) the circumstances surrounding the scheme.

**271. Statement in relation to determination**

The assessment notice issued under the Taxation Administration Act section 23 in respect of a determination made under section 270(2)(a) must contain or be accompanied by a statement of —

- (a) the Commissioner's reasons for the relevant decision under section 270(1); and

- (b) the grounds on which the determination under section 270(2)(a) is made.

## **Chapter 8 — Other general provisions**

### **Part 1 — Duty endorsement**

**272. The term “duty endorsed”**

- (1) A dutiable transaction is *duty endorsed* if a transaction record for it is duty endorsed.
- (2) A transaction record for a dutiable transaction is *duty endorsed* if it is —
  - (a) endorsed by the Commissioner under section 273(2), (3) or (4) or 274(2); or
  - (b) endorsed or certified under a special tax return arrangement to indicate that an amount of duty has been paid or is payable or that duty is not chargeable.
- (3) A duplicate of a transaction record for a dutiable transaction is *duty endorsed* if it is endorsed under section 273(5).
- (4) If the Commissioner has established procedures for the electronic lodgment and recording of data on dutiable transactions, a reference in this Act to a transaction record being duty endorsed includes a reference to it being certified by the Commissioner in accordance with those procedures to indicate that an amount of duty is paid or payable or that duty is not chargeable.

**273. Endorsement of duty or exemption from duty**

- (1) In this section —

*duty* means transfer duty;

*required duty* means —

  - (a) the duty chargeable; and
  - (b) anything relating to the duty that constitutes tax under the Taxation Administration Act section 62; and
  - (c) any penalty tax relating to the dutiable transaction or the duty.

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- (2) If a transaction record for a dutiable transaction is lodged for duty endorsement, the Commissioner must —
- (a) if duty is chargeable on the dutiable transaction and the required duty is paid in full — endorse the transaction record to indicate the amount so paid; or
  - (b) if duty is not chargeable on the dutiable transaction because of an exemption under this Act or another written law — endorse the transaction record to indicate that duty is not chargeable because of the exemption; or
  - (c) if duty is not chargeable on the dutiable transaction other than because of an exemption under this Act or another written law — endorse the transaction record to indicate that duty is not chargeable.
- (3) If a transaction record for a dutiable transaction is duty endorsed and another transaction record for the dutiable transaction (the *new record*) is lodged for duty endorsement, the Commissioner may endorse the new record to indicate the amount of duty paid or that duty was not chargeable.
- (4) If under a duties Act a transaction record for a dutiable transaction is in the Commissioner's possession otherwise than because of lodgment, the Commissioner may endorse the transaction record as if it had been lodged for duty endorsement.
- (5) A duplicate of a duty endorsed transaction record for a dutiable transaction may be —
- (a) endorsed by the Commissioner; or
  - (b) endorsed or certified under a special tax return arrangement,
- to indicate the amount of duty paid or payable or that duty was not chargeable.

**274. Endorsement of duty that depends on duty paid on another transaction**

- (1) This section applies if the amount of duty payable, or whether duty is chargeable, on a dutiable transaction (the *dependent transaction*) depends in any way on the payment of duty chargeable on another dutiable transaction (the *related transaction*).
- (2) The transaction record for the dependent transaction may be —
  - (a) endorsed by the Commissioner; or
  - (b) endorsed or certified under a special tax return arrangement,

to indicate the amount of duty paid or payable on the related transaction.

Note: For example, duty of \$20 700 is paid on an agreement for the transfer of dutiable property (the “**related transaction**”). A transfer of the dutiable property (the “**dependent transaction**”) is lodged and is in conformity with the agreement for transfer for the purposes of section 42(1). The transfer will be endorsed to indicate:

- that no duty is chargeable on the transfer; and
- the duty of \$20 700 paid on the agreement for transfer.

**275. Duty endorsement as evidence**

If a transaction record, or a duplicate of a transaction record, for a dutiable transaction is duty endorsed —

- (a) the duty endorsement is evidence of —
  - (i) the making of an assessment in relation to the dutiable transaction; and
  - (ii) the amount of transfer duty (if any) paid; and
  - (iii) any other matter indicated in the duty endorsement;

and

- (b) except in proceedings under the Taxation Administration Act Part 4, the duty endorsement is conclusive evidence that the assessment is correct.

## **Part 2 — Enforcement**

### **276. Registration or recording of dutiable transactions**

- (1) A registrar must not register or record —
  - (a) a dutiable transaction; or
  - (b) a transaction record for a dutiable transaction,in a register of legal or beneficial interests in dutiable property unless the transaction is duty endorsed.  
Penalty: a fine of \$20 000.
- (2) In subsection (1) —  
*registrar* means a person who has the function of maintaining a register.
- (3) If a disposition of a share in a corporate trustee is a dutiable transaction because of section 67, a person must not register or record —
  - (a) the dutiable transaction; or
  - (b) a transaction record for the dutiable transaction,in the books or records of the corporation unless the dutiable transaction is duty endorsed.  
Penalty: a fine of \$20 000.
- (4) A contravention of subsection (3) does not invalidate any right or obligation arising out of the disposition.
- (5) It is a defence to a charge of an offence under subsection (1) or (3) to prove that the accused person did not know and could not reasonably have been expected to have known that —
  - (a) the transaction was a dutiable transaction; or
  - (b) the transaction was not duty endorsed.

**277. Functions as to business licences**

- (1) In this section —  
*business licence* has the meaning given in section 79.
- (2) If a business licence is the subject of a dutiable transaction, a person must not —
- (a) give effect to, receive, accept, approve or recognise the dutiable transaction under a written law; or
  - (b) register or record —
    - (i) the dutiable transaction; or
    - (ii) a transaction record for the dutiable transaction, in any register of business licences,

unless the dutiable transaction is duty endorsed or an instrument that effects the dutiable transaction has been lodged for duty endorsement in accordance with section 23.

Penalty: a fine of \$20 000.

- (3) It is a defence to a charge of an offence under subsection (2) to prove that the accused person did not know and could not reasonably have been expected to have known that —
- (a) the business licence was the subject of a dutiable transaction; or
  - (b) the transaction was not duty endorsed; or
  - (c) an instrument that effects the transaction had not been lodged for duty endorsement.

**278. Lodgment of certain caveats**

- (1) In this section —  
*caveat* means a caveat lodged under —
- (a) the *Transfer of Land Act 1893* Part V; or
  - (b) the *Mining Act 1978*;





- (2) Despite subsection (1), a court may admit in evidence a transaction record that is not duty endorsed —
- (a) where the person that produces the transaction record is the person liable to pay the duty —
    - (i) if the transaction record has been transmitted to the Commissioner; or
    - (ii) if the court is satisfied that the transaction record will, after its admission, be transmitted to the Commissioner in accordance with arrangements approved by the court;

or

  - (b) where the person that produces the transaction record is not the person liable to pay the duty —
    - (i) if the name and address of the person so liable and the transaction record have been transmitted to the Commissioner; or
    - (ii) if the court is satisfied that the name and address of the person so liable and the transaction record will be transmitted to the Commissioner in accordance with arrangements approved by the court.
- (3) A court may admit in evidence a duty endorsed duplicate of a transaction record for a dutiable transaction.
- (4) Despite subsection (1), a court may admit in evidence an unexecuted copy of an instrument that effects a dutiable transaction or an instrument that evidences a dutiable transaction if the court is satisfied that a transaction record for the dutiable transaction is duty endorsed.

**280. Obligations relating to unlodged instruments**

- (1) This section applies to an instrument that —
- (a) effects a dutiable transaction; and
  - (b) is not duty endorsed.

- (2) If, after the expiry of the time provided under section 23 within which an instrument referred to in subsection (1) is to be lodged for duty endorsement, a person who is not a party to the dutiable transaction effected by the instrument —

- (a) has possession or control of the instrument; or
- (b) acts under the instrument,

that person must, as soon as practicable, lodge the instrument or give notice of the instrument to the Commissioner.

Penalty: a fine of \$20 000.

- (3) It is a defence to a charge of an offence under subsection (2) to prove that the accused person did not know and could not reasonably have been expected to have known that —

- (a) duty is chargeable on the transaction effected by the instrument; or
- (b) the instrument was not duty endorsed.

### **Part 3 — Miscellaneous**

#### **281. Destruction of transaction records and relevant material**

- (1) If a transaction record is in the Commissioner's possession or control, the Commissioner may destroy the record if —
- (a) 6 years have elapsed since the original assessment of the amount of duty payable on the dutiable transaction was made; and
  - (b) any amount that remains unpaid under a duties Act on the dutiable transaction has been written off under the Taxation Administration Act.
- (2) Subsection (1) also applies to relevant material relating to the dutiable transaction.

#### **282. Correction of errors**

The Commissioner may, in a case in which the Commissioner considers that the circumstances so require, permit a clerical

error in an instrument that effects or evidences a dutiable transaction to be corrected before the transaction is duty endorsed.

Note: The following are examples of clerical errors in an instrument that effects or evidences a dutiable transaction —

- an accidental misdescription of property;
- an accidental misdescription of a party to the transaction.

**283. Amounts expressed in foreign currency**

If an amount by reference to which duty has to be calculated is expressed in a currency other than the currency of Australia, the amount is the amount expressed in Australian currency according to the buy rate of exchange reported by the Reserve Bank of Australia and applicable in Australia on —

- (a) the day on which liability for duty arose; or
- (b) if the rate is not obtainable for Australia on that day — the last earlier day on which the rate was obtainable for Australia.

**284. Application of Corporations Act section 1070A(1)(a) limited**

The following matter is declared to be an excluded matter for the purposes of the Corporations Act section 5F in relation to the Corporations Act section 1070A(1)(a) — interests in registered schemes.

**285. Regulations**

- (1) The Governor may make regulations prescribing all matters that a duties Act requires or permits to be prescribed or are necessary or convenient to be prescribed to give effect to a duties Act.
- (2) Without limiting subsection (1), regulations may be made in relation to the records to be kept for the purposes of a duties Act.

- (3) Regulations may create offences and provide, in respect of an offence so created, for the imposition of a fine not exceeding \$5 000.
- (4) Regulations may be expressed to apply to an instrument that was executed before the day on which the regulations come into operation, or to a transaction that took place before that day, if the application of the regulations to the instrument or transaction would not adversely affect a person that is or may become liable to pay duty on the instrument or in relation to the transaction, or adversely affect a party to the transaction.

**286. Transitional provisions**

Schedule 3 sets out transitional provisions.

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**Schedule 1 — When liability for transfer duty on a dutiable transaction arises and the person liable to pay it**

[s. 19 and 20]

<b>Column 1</b> <b>Provision of section 11</b>	<b>Column 2</b> <b>Dutiable transaction</b>	<b>Column 3</b> <b>When liability for transfer duty arises</b>	<b>Column 4</b> <b>Person liable to pay transfer duty</b>
s. 11(1)(a)	Transfer	When the property is transferred	Transferee
s. 11(1)(b)	Agreement for transfer	When the agreement is made	Purchaser or transferee
s. 11(1)(c)	Declaration of trust	When the declaration is made	Person making the declaration
s. 11(1)(d)(i)	Vesting by statute law	When the vesting takes place	Person in whom the property is vested
s. 11(1)(d)(ii)	Vesting by court order	When the order is made	Person in whom the property is vested
s. 11(1)(e)	Foreclosure of mortgage	When the foreclosure order is made	Mortgagee
s. 11(1)(f)	Acquisition of new dutiable property	The earlier of the following — (a) when the property is acquired; or (b) if an instrument evidences the acquisition, when the instrument is executed	Person that acquires the property

<b>Column 1 Provision of section 11</b>	<b>Column 2 Dutiable transaction</b>	<b>Column 3 When liability for transfer duty arises</b>	<b>Column 4 Person liable to pay transfer duty</b>
s. 11(1)(g)	Surrender of special dutiable property	When the surrender takes place	Person to whom the interest is surrendered; or in the case of a surrender referred to in section 18(f), the person to whom the mining tenement is granted in accordance with the agreement; or in the case of a surrender referred to in section 18(g), the person that paid the consideration for the surrender
s. 11(1)(h)	A trust acquisition or trust surrender	When the interest in the trust is acquired or surrendered	Person that is the trustee of the discretionary trust

**Duties Act 2008**

**Schedule 1** When liability for transfer duty on a dutiable transaction arises and the person liable to pay it

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<b>Column 1 Provision of section 11</b>	<b>Column 2 Dutiable transaction</b>	<b>Column 3 When liability for transfer duty arises</b>	<b>Column 4 Person liable to pay transfer duty</b>
s. 11(1)(i)	A partnership acquisition	The earlier of the following — (a) when the partnership interest is acquired; or (b) if the acquisition is evidenced by an instrument, when the instrument is executed	Person that acquires the partnership interest
s. 11(1)(j)	A farm-in agreement	When the agreement is made	Person referred to in section 13(1)(b)

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**Schedule 2 — Rates of transfer duty**

**Division 1 — General rate**

[s. 26 and 184]

<b>Dutiable value</b>	<b>General rate of duty</b>
\$ 0 — \$80 000	\$1.90 per \$100.00 or part of \$100.00
\$80 001 — \$100 000	\$1 520 + \$2.85 per \$100.00 or part of \$100.00 above \$80 000
\$100 001 — \$250 000	\$2 090 + \$3.80 per \$100.00 or part of \$100.00 above \$100 000
\$250 001 — \$500 000	\$7 790 + \$4.75 per \$100.00 or part of \$100.00 above \$250 000
\$500 001 and upwards	\$19 665 + \$5.15 per \$100.00 or part of \$100.00 above \$500 000

**Division 2 — Concessional rates**

[Chapter 2 Part 6 Divisions 3, 4A and 4]

*[Heading amended by No. 30 of 2008 s. 28.]*

<b>Concessional transaction</b>	<b>Dutiable value</b>	<b>Concessional rate of duty</b>
s. 143		
First home owners		
If the property includes a home	\$0 — \$500 000	Nil
	\$500 001 — \$600 000	\$22.51 per \$100.00 or part of \$100.00 above \$500 000
If the property does not include a home	\$0 — \$300 000	Nil
	\$300 001 — \$400 000	\$13.01 per \$100.00 or part of \$100.00 above \$300 000

**Duties Act 2008****Schedule 2** Rates of transfer duty

## Nominal duty

<b>Concessional transaction</b>	<b>Dutiable value</b>	<b>Concessional rate of duty</b>
s. 147 Residential or business property	\$0 — \$100 000	\$1.50 per \$100.00 or part of \$100.00
	\$100 001 — \$200 000	\$1 500 + \$4.39 per \$100.00 or part of \$100.00 above \$100 000
s. 147E Residential property	\$0 — \$120 000	\$1.90 per \$100.00 or part of \$100.00
	\$120 001 — \$150 000	\$2 280 + \$2.85 per \$100.00 or part of \$100.00 above \$120 000
	\$150 001 — \$360 000	\$3 135 + \$3.80 per \$100.00 or part of \$100.00 above \$150 000
	\$360 001 — \$725 000	\$11 115 + \$4.75 per \$100.00 or part of \$100.00 above \$360 000
	\$725 001 and upwards	\$28 453 + \$5.15 per \$100.00 or part of \$100.00 above \$725 000

*[Division 2 amended by No. 30 of 2008 s. 28.]*

**Division 3 — Nominal duty**

The amount of nominal duty is \$20.00.

## **Schedule 3 — Transitional provisions**

[s. 286]

### **Division 1 — Provisions for *Duties Act 2008***

#### **Subdivision 1 — Preliminary**

**1. Terms used in this Division**

- (1) In this Division —  
*relevant acquisition* has the meaning given in sections 163 and 164.
- (2) A reference in this Division to the time when a transaction takes or took place is a reference to the time that —
  - (a) is applicable under section 19(1); or
  - (b) would have been applicable under section 19(1) if the transaction had been chargeable with transfer duty.

#### **Subdivision 2 — Provisions for Chapter 2**

**2. When Chapter 2 starts to apply**

Subject to this Subdivision, Chapter 2 applies in relation to the imposition of transfer duty on a transaction only if that transaction takes place on or after 1 July 2008.

**3. No double duty**

Without limiting Chapter 2 Part 4 Division 6, transfer duty is not chargeable on a dutiable transaction for which there is a transaction record chargeable with duty under the *Stamp Act 1921*.

**4. Alteration of consideration (section 31)**

Section 31(1) and (3) do not apply if the liability to duty is under the *Stamp Act 1921*.

**5. Aggregation (section 37)**

- (1) Two or more transactions are to be aggregated and treated as a single dutiable transaction under section 37 as long as the last of the transactions takes place on or after 1 July 2008.

- (2) For the purposes of section 37(6)(a), the dutiable value of a transaction that took place before 1 July 2008 is —
- (a) the unencumbered value under the *Stamp Act 1921* of the property the subject of the transaction; or
  - (b) the consideration for the transaction,

whichever is greater.

- (3) If —
- (a) a previous dutiable transaction referred to in section 37(7) took place before 1 July 2008; and
  - (b) duty under the *Stamp Act 1921* (**stamp duty**) was paid on an instrument effecting or evidencing the transaction,

a reference in section 37(7) to duty paid on the transaction is a reference to that stamp duty.

**6. Exchanges (section 40)**

Without limiting clause 2, if any of the dutiable transactions referred to in section 40 took place before 1 July 2008, transfer duty is not chargeable on that transaction.

**7. Exempt bodies (section 92)**

Any body declared to be an exempt body under the *Stamp Act 1921* section 119 is taken to have been declared to be an exempt body under section 92(1).

**8. Family farm transactions (sections 104 and 105)**

- (1) Without limiting clause 25(1)(d), a reference to an exempt family farm transaction in section 104(a) or 105(1) or (4) includes a reference to a farming exemption as defined in the *Stamp Act 1921* section 75HA(1).
- (2) The reference in section 105(1)(d) to an event already duty endorsed under section 105 includes a reference to a taxable event referred to in the *Stamp Act 1921* section 75HA(2) if —
  - (a) a statement has been lodged under the *Stamp Act 1921* section 75HA(3) in respect of that event; and

- (b) duty under the *Stamp Act 1921* has been paid in respect of that statement.

**9. Matrimonial and de facto relationship instruments (sections 129, 130)**

- (1) Despite clause 25(1)(b), section 132 does not apply to an instrument in respect of which duty under the *Stamp Act 1921* has been paid unless the liability to duty arose on or after 28 November 2007.
- (2) In a case mentioned in subclause (1), section 132 applies even if the day on which the instrument became —
  - (a) a matrimonial instrument as defined in section 129; or
  - (b) a de facto relationship instrument as defined in section 130,was before 1 July 2008.

**10. First home owners (Part 6 Division 3)**

- (1) In determining the meaning of the term “further FHOG concessional transaction” for the purposes of Chapter 2 Part 6 Division 3, the transaction referred to in section 142(2) as the first FHOG concessional transaction can be a transaction evidenced by an instrument (the *earlier instrument*) that was —
  - (a) executed before 1 July 2008 (but not before 1 July 2004); and
  - (b) chargeable with duty under the *Stamp Act 1921* section 75AG.
- (2) If the first FHOG concessional transaction is a transaction referred to in subclause (1), the rate and thresholds referred to in section 143(2) are those that applied in relation to the earlier instrument under the *Stamp Act 1921* section 75AG.

**11A. Residential concession (Part 6 Division 4A)**

- (1) In this clause —  
*concessional transaction* means a transaction that is a concessional transaction under section 147C(1).
- (2) Section 147C(2) applies as long as the concessional transaction mentioned in it (or at least one of them, if there are 2 or more) takes place on or after 1 July 2008.

*[Clause 11A inserted by No. 30 of 2008 s. 29.]*

**Subdivision 3 — Provisions for Chapter 3**

**11. When Chapter 3 starts to apply**

Chapter 3 applies in relation to the imposition of landholder duty in respect of a relevant acquisition only if that acquisition occurs on or after 1 July 2008.

**12. Acquisitions under an agreement made before 1 July 2008**

- (1) This clause applies to an acquisition of an interest in an entity —
  - (a) that occurs on or after 1 July 2008; but
  - (b) is made under an agreement, whether conditional or not, that was entered into before 1 July 2008.
- (2) Despite section 176, the acquisition is taken to have occurred when the agreement is completed.

**13. Meaning of “excluded interest” (sections 190 and 192)**

- (1) Despite section 190(1)(a), if the day that is 3 years before the day on which the relevant acquisition occurred is before 1 July 2008, section 190(1) is to be read as if the following paragraph were inserted instead of paragraph (a) —

“

- (a) an interest, other than one to which subsection (2) applies, that was held by the person or a related person, or by the person and a related person, before 1 July 2008; or

”.

- (2) Despite section 192(a), if the day that is 3 years before the day on which the relevant acquisition occurred is before 1 July 2008, section 192 is to be read as if the following paragraph were inserted instead of paragraph (a) —

“

- (a) an interest that was held by the person or a related person, or by the person and a related person, before 1 July 2008; or

#### **Subdivision 4 — Provisions for Chapter 4**

**14. Terms used in this Subdivision**

When this Subdivision uses a term that is used in Chapter 4, the term has the same meaning in this Subdivision as it has in Chapter 4 unless the contrary intention appears in this Subdivision.

**15. When Chapter 4 starts to apply**

Chapter 4 applies to and in relation to —

- (a) premiums, or instalments of premiums, paid on or after 1 July 2008; and
- (b) return periods commencing on or after 1 July 2008.

**16. Registration**

- (1) A person that was, immediately before 1 July 2008, a registered insurer under the *Stamp Act 1921* Part IIIF is taken to have been registered under section 218 on 1 July 2008.
- (2) If, immediately before 1 July 2008, a notice of cancellation of registration issued under the *Stamp Act 1921* section 93B had not come into effect, the notice is taken to have been issued under section 222.

#### **Subdivision 5 — Provisions for Chapter 5**

**17. Terms used in this Subdivision**

When this Subdivision uses a term that is used in Chapter 5, the term has the same meaning in this Subdivision as it has in Chapter 5 unless the contrary intention appears in this Subdivision.

**18. When Chapter 5 starts to apply**

- (1) Chapter 5 applies to and in relation to the grant or transfer of a licence the application for which was made on or after 1 July 2008.

- (2) Despite subclause (1), section 242(3) does not apply in respect of the grant of a licence if the vehicle was licensed or registered outside of Western Australia before 1 July 2008.

**19. Section 228 — definition of “new vehicle”**

In section 228, in the definition of “new vehicle” —

- (a) the reference to section 246(1) includes a reference to the *Stamp Act 1921* section 76D(5)(a) as in force immediately before 1 July 2008; and
- (b) the reference to section 246(1)(a)(ii) includes a reference to the *Stamp Act 1921* section 76D(5)(a)(ii) as in force immediately before 1 July 2008; and
- (c) a reference to section 247(1) includes a reference to the *Stamp Act 1921* section 76D(5a)(a) as in force immediately before 1 July 2008.

**20. Section 239 — specialised vehicles**

- (1) In section 239(1)(a), the reference to a specialised vehicle includes a reference to an eligible vehicle within the meaning of the *Stamp Act 1921* section 76B as in force immediately before section 239 comes into operation.
- (2) In section 239(1)(c), the reference to dutiable value includes a reference to market value within the meaning of the *Stamp Act 1921* section 76B as in force immediately before 1 July 2008.

**21. Section 247 — approval of philanthropic purposes**

In section 247(1)(a)(iv), the reference to a philanthropic purpose approved by the Commissioner includes a reference to a philanthropic purpose approved by the Commissioner under the *Stamp Act 1921* section 76D(5b).

**22. Section 250 — transfer of vehicles: nominal duty**

- (1) If —
  - (a) the Commissioner has, before 1 July 2008, granted an authorisation under the *Stamp Act 1921* section 76C or 112UE in respect of the transfer of a licence; and
  - (b) the transfer of the licence occurs within the 12 month period beginning on 1 July 2008,



then —

- (c) nominal duty is chargeable under section 250 on the transfer of the licence; and
- (d) either —
  - (i) any document evidencing the authorisation may be treated as a certificate issued by the Commissioner under section 250(2); or
  - (ii) the Commissioner may issue a certificate under section 250(2) as if satisfied of the matters in section 250(2).

(2) If —

- (a) the transfer of a vehicle (within the meaning of that term in Chapter 2) occurred before 1 July 2008; and
- (b) no application for the transfer of a licence for the vehicle was made before 1 July 2008; and
- (c) under the *Stamp Act 1921* section 76C or 112UE no authorisation was applied for, or, if applied for, the application was not dealt with, before 1 July 2008,

section 250 applies in respect of the transfer of the vehicle despite the transfer having occurred before 1 July 2008.

- (3) Section 250(6) does not apply to the transfer of the licence for a vehicle that occurred before 28 November 2007.
- (4) If the transfer of the licence for a vehicle occurs on or after 28 November 2007, section 250(6) applies to the transfer of the licence even if the day on which the instrument referred to in section 250(6)(b) —
  - (a) came into existence; or
  - (b) became a matrimonial instrument or a de facto relationship instrument,

was before 1 July 2008.

**23. Section 252 — statements made under the *Stamp Act 1921* section 76H**

A statement under or for the purposes of the *Stamp Act 1921* section 76H(1) or (2) has effect as if given under section 252(1) or (3) (whichever is relevant) to the extent to which it relates to the grant or transfer of a licence the application for which was made after 1 July 2008.

**Subdivision 6 — Provisions for Chapter 7**

**24. When Chapter 7 starts to apply**

Chapter 7 applies in relation to a scheme as defined in section 267(1) only if the scheme, or at least one of the steps or transactions by which it is carried into effect, occurs on or after 1 July 2008.

**Subdivision 7 — General**

**25. Some references to duty include stamp duty**

- (1) In this Act, where appropriate in the context —
- (a) a reference to a transaction record that has been duty endorsed includes a reference to an instrument that —
    - (i) has been, or is taken to have been, endorsed in accordance with the *Stamp Act 1921* section 17C(1); or
    - (ii) has been stamped or endorsed under a special tax return arrangement to indicate the amount of duty under the *Stamp Act 1921* paid or payable under the arrangement or that duty under that Act was not payable in respect of the instrument;
- and
- (b) a reference to a transaction that has been duty endorsed includes a reference to a transaction to which an instrument referred to in paragraph (a) relates; and
  - (c) a reference to duty paid or payable, or that has become chargeable, includes a reference to duty paid or payable, or that has become chargeable, under the *Stamp Act 1921*; and

- (d) a reference to a transaction being or having been an exempt transaction, or not chargeable with duty, includes a reference to a transaction the subject of an instrument exempt from, or not chargeable with, duty under the *Stamp Act 1921*.
- (2) Subclauses (1)(a) and (b) do not apply to a reference to “duty endorsed” in section 31(5), 32(1), 33(2), 34(1) or 280.
- (3) Without limiting subclause (1)(c), if this Act requires another amount of duty to be taken into account in making an assessment or reassessment of duty, the reference to that other amount includes, where appropriate in the context, a reference to duty paid or payable under the *Stamp Act 1921*.

**26. Application of some Chapter 8 provisions**

- (1) Sections 272 and 273 and 275 to 282 apply in relation to a dutiable transaction only if that transaction takes place on or after 1 July 2008.
- (2) Section 274 applies in relation to a dependent transaction only if that transaction takes place on or after 1 July 2008.

**27. Regulations**

- (1) Regulations may be made for any of the following —
  - (a) to resolve any doubts as to which of this Act or the *Stamp Act 1921* is applicable to an instrument, transaction or matter;
  - (b) to clarify, vary or add to the provisions of this Division;
  - (c) to make further amendments of a transitional nature to the *Stamp Act 1921* in addition to those made by the *Duties Legislation Amendment Act 2008 Part 2 Division 1*;
  - (d) to facilitate or clarify the continued operation of the *Stamp Act 1921* in relation to instruments, transactions or matters to which it applies;
  - (e) generally to ensure that duty on an instrument, transaction or matter is imposed correctly and appropriately under this Act or the *Stamp Act 1921*, but not under both Acts.
- (2) Regulations referred to in subclause (1) have effect despite any inconsistency with a taxation Act.

**Duties Act 2008**

**Schedule 3** Transitional provisions

**Division 3** Provisions for Duties Legislation Amendment Act 2008 Part 2  
Division 2 Subdivision 3

**cl. 28**

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- (3) For the purposes of the *Interpretation Act 1984* section 41(1)(b) the day specified in regulations referred to in subclause (1) may be 1 July 2008 or any later day.

**28. References to the *Stamp Act 1921***

- (1) In this clause —  
***Stamp Act reference*** means a reference to the *Stamp Act 1921* in —
- (a) a written law other than this Act, the *Stamp Act 1921* or the Taxation Administration Act; or
  - (b) an agreement, contract, determination, order or other document.
- (2) A Stamp Act reference is to be read as being or including a reference to this Act if it would be appropriate in the context to do so.

[Division 2 deleted by No. 30 of 2008 s. 4.]

**Division 3 — Provisions for *Duties Legislation Amendment Act 2008*  
Part 2 Division 2 Subdivision 3**

**30. Residential property and business property and assets**

- (1) A provision of this Act as enacted before being amended or repealed by the *Duties Legislation Amendment Act 2008* Part 2 Division 2 Subdivision 3 continues to apply in respect of a transaction that takes place before 1 July 2013.
- (2) A reference in this clause to the time when a transaction takes place is a reference to the time that —
- (a) is applicable under section 19(1); or
  - (b) would have been applicable under section 19(1) if the transaction had been chargeable with transfer duty.
- (3) A transaction that takes place on or after 1 July 2013 is to be taken to have taken place before 1 July 2013 for the purposes of this clause if —
- (a) the transaction is made in accordance with an arrangement made before 1 July 2013; and
  - (b) the sole or principal purpose of the arrangement was to defer the transaction until 1 July 2013 or later so that the provisions

of this Act would not apply to the transaction until amended or repealed by the *Duties Legislation Amendment Act 2008* Part 2 Division 2 Subdivision 3.

*[Clause 30 amended by No. 9 of 2010 s. 11.]*

**Division 4 — Provisions for *Revenue Laws Amendment Act 2010*  
section 5**

*[Heading inserted by No. 9 of 2010 s. 6.]*

**31. Terms used in this Division**

When this Division uses a term that is used in Chapter 6, the term has the same meaning in this Division as it has in Chapter 6.

*[Clause 31 inserted by No. 9 of 2010 s. 6.]*

**32. Certain relevant reconstruction transactions**

- (1) An exemption cannot be granted in respect of an acquisition if —
  - (a) the acquisition took place on or after the day on which the *Revenue Laws Amendment Act 2010* section 5 is deemed to have come into operation; and
  - (b) as a result of the amendment effected by that section, the acquisition is no longer a relevant reconstruction transaction.
- (2) Subclause (1) applies even if —
  - (a) before the day on which the *Revenue Laws Amendment Act 2010* receives the Royal Assent, an application for an exemption in respect of the acquisition was —
    - (i) made; or
    - (ii) made and dealt with;
  - or
  - (b) a decision to the contrary in relation to the acquisition was made by the Commissioner on a pre-transaction decision request under section 261.
- (3) The Commissioner —
  - (a) is not bound by a decision referred to in subclause (2)(b); and

***Duties Act 2008***

**Schedule 3** Transitional provisions

**Division 4** Provisions for Revenue Laws Amendment Act 2010 section 5

**cl. 32**

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- (b) must make any reassessment the Commissioner considers necessary to give effect to the amendment effected by the *Revenue Laws Amendment Act 2010* section 5 and this clause.

*[Clause 32 inserted by No. 9 of 2010 s. 6.]*

**Notes**

<sup>1</sup> This is a compilation of the *Duties Act 2008* and includes the amendments made by the other written laws referred to in the following table <sup>1a</sup>.

**Compilation table**

<b>Short title</b>	<b>Number and year</b>	<b>Assent</b>	<b>Commencement</b>
<i>Duties Act 2008</i>	11 of 2008	14 Apr 2008	s. 1 and 2: 14 Apr 2008 (see s. 2(a)) Act other than s. 1 and 2: 1 Jul 2008 (see s. 2(b))
<i>Duties Legislation Amendment Act 2008 Pt. 2 Div. 2 Subdiv. 1 and 2</i>	12 of 2008 (as amended by No. 30 of 2008 s. 3)	14 Apr 2008	1 Jul 2008 (see s. 2(b) and (d))
<i>Revenue Laws Amendment Act 2008 Pt. 2 Div. 1 and Pt. 7</i>	30 of 2008	27 Jun 2008	Pt. 2 Div. 1: 27 Jun 2008 (see s. 2(2)(a)) Pt. 7: 1 Jul 2008 (see s. 2(1)(c))
<i>Revenue Laws Amendment Act (No. 2) 2008 s. 32</i>	31 of 2008	27 Jun 2008	28 Jun 2008 (see s. 2(b))
<i>Revenue Laws Amendment Act 2010 Pt. 2 and Pt. 3 Div. 2</i>	9 of 2010	10 Jun 2010	s. 5 and 6: 10 Mar 2010 (see s. 2(d)); s. 3: 10 Jun 2010 (see s. 2(a)); Pt. 3 Div. 2: 10 Jun 2010 (see s. 2(b)(i)); s. 4: 11 Jun 2010 (see s. 2(c))
<i>Revenue Laws Amendment and Repeal Act 2010 Pt. 2 (s. 3, 12-13 and 16)</i>	17 of 2010	25 Jun 2010	s. 12: 1 Jul 2008 (see s. 2(c)); s. 3, 13 and 16: 25 Jun 2010 (see s. 2(a))
<i>Duties Amendment Act (No. 2) 2011 Pt. 2</i>	33 of 2011	12 Sep 2011	24 Dec 2010 (see s. 2(b))

<sup>1a</sup> On the date as at which this compilation was prepared, provisions referred to in the following table had not come into operation and were therefore not included in this compilation. For the text of the provisions see the endnotes referred to in the table.

**Provisions that have not come into operation**

<b>Short title</b>	<b>Number and year</b>	<b>Assent</b>	<b>Commencement</b>
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<b>Short title</b>	<b>Number and year</b>	<b>Assent</b>	<b>Commencement</b>
<i>Duties Legislation Amendment Act 2008 Pt. 2 Div. 2 Subdiv 3</i> <sup>2</sup>	12 of 2008 (as amended by No. 9 of 2010 Pt. 3 Div. 1)	14 Apr 2008	1 Jul 2013 (see s. 2(c))
<i>Revenue Laws Amendment and Repeal Act 2010</i> s. 4-11, 14 and 15 <sup>3</sup>	17 of 2010	25 Jun 2010	To be proclaimed (see s. 2(d))

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<sup>2</sup> On the date as at which this compilation was prepared, the *Duties Legislation Amendment Act 2008 Pt. 2 Div. 2 Subdiv. 3* (as amended by No. 9 of 2010 s. 9) had not come into operation. It reads as follows:

## **Part 2 — Amendments**

### **Division 2 — Duties Act 2008 amended**

#### **Subdivision 3 — Amendments commencing on 1 July 2013**

*[Heading amended by No. 9 of 2010 s. 9.]*

#### **25. Section 9 amended**

Section 9 is amended as follows:

- (a) in the definition of “unencumbered value” by deleting “36;” and inserting instead —  
“ 36. ”;
- (b) by deleting the definitions of “Western Australian business” and “Western Australian business asset”.

#### **26. Section 15 amended**

Section 15 is amended as follows:

- (a) in paragraph (c) by deleting “Australia;” and inserting instead —  
“ Australia. ”;
- (b) by deleting paragraph (d).

#### **27. Section 17 amended**

Section 17(1) is amended as follows:

- (a) in paragraph (b)(iii) by deleting “subsection;” and inserting instead —  
“ subsection. ”;
- (b) by deleting paragraph (c).



- 28. **Chapter 2 Part 5 Division 5 repealed**  
Chapter 2 Part 5 Division 5 is repealed.
- 29. **Section 136 repealed**  
Section 136 is repealed.
- 30. **Chapter 2 Part 6 Division 4 repealed**  
Chapter 2 Part 6 Division 4 is repealed.
- 31. **Section 277 repealed**  
Section 277 is repealed.
- 32. **Schedule 2 Division 2 amended**  
Schedule 2 Division 2 is amended by deleting the item relating to section 147.

<sup>3</sup> On the date as at which this compilation was prepared, the *Revenue Laws Amendment and Repeal Act 2010* s. 4-11, 14 and 15 had not come into operation. They reads as follows:

**Division 2 — Amendments about conditional agreements**

- 4. **Section 9 amended**
  - (1) In section 9 delete the definitions of:  
*off-the-plan conditional agreement*  
*unconditional*
  - (2) In section 9 insert in alphabetical order:  
  
*issue of title conditional agreement* has the meaning given in section 90;
  - (3) In section 9 in the definition of *general conditional agreement* delete paragraph (c) and insert:  
  
(c) an issue of title conditional agreement;
  - (4) In section 9 in the definition of *terminated on relevant grounds* delete “section 87(3)” and insert:  
  
section 88A(2)

**5. Section 19 amended**

In section 19(2) delete “a transaction record for it is required to be lodged under section 23” and insert:

an instrument is required to be lodged under section 23 in respect of the agreement

**6. Section 23 amended**

- (1) In section 23(1) delete the passage that begins with “within —” and continues to the end of paragraph (d) and insert:

within 2 months after the day on which liability for duty on the transaction arises.

- (2) Delete section 23(3).

**7. Section 25 replaced**

Delete section 25 and insert:

**25. Payment of duty**

- (1) A person liable to pay duty on a dutiable transaction is to pay the duty within one month after the date of the assessment notice issued in relation to the assessment of the duty, unless a later time is provided under subsection (2) or (3) in respect of the transaction.
- (2) Unless subsection (3) applies, duty is to be paid within 12 months after the day on which liability for duty on the transaction arises if the transaction is —
- (a) a conditional agreement; or
  - (b) a dutiable transaction referred to in section 11(1)(a), (b), (c) or (d) if a document relating to the transaction must be registered under —
    - (i) the *Mining Act 1978*; or
    - (ii) the *Registration of Deeds Act 1856*; or
    - (iii) the *Transfer of Land Act 1893*.
- (3) Duty is to be paid within 3 years after the day on which liability for duty on the transaction arises if the transaction is —
- (a) a subdivision conditional agreement; or
  - (b) an issue of title conditional agreement.

**8. Section 87 amended**

- (1) Delete section 87(3) and (4).
- (2) In section 87(5) delete “subsections (1)(c) and (3)(a),” and insert:

subsection (1)(c),

Note: The heading to amended section 87 is to read:  
**The term “conditional agreement”**

**9. Section 88A inserted**

After section 87 insert:

**88A. General conditional agreements terminated on relevant grounds**

- (1) Duty is not chargeable on a general conditional agreement if, after an instrument effecting or evidencing the agreement has been lodged under section 23 but before duty on the transaction is paid, or is due to be paid, under section 25 (whichever is the earlier in time) —
  - (a) the agreement is terminated on relevant grounds; and
  - (b) the Commissioner is notified of the termination of the agreement in the approved form.
- (2) A general conditional agreement is terminated on relevant grounds if —
  - (a) it is not carried into effect because the condition to which it is or was subject cannot be fulfilled for reasons that are not within the control of a party to the agreement, or a person that is related (within the meaning given in section 87(5)) to a party to the agreement; and
  - (b) duty is not chargeable on the agreement under section 107 because it is a cancelled transaction.

**10. Section 90 replaced**

Delete section 90 and insert:

**90. The term “issue of title conditional agreement”**

A reference to an issue of title conditional agreement is to a conditional agreement —

- (a) for the sale of land conditional on the happening of one or more of the events described in section 87(2)(j) or (m); or
- (b) for —
  - (i) the sale of a strata lot; and
  - (ii) the construction on the strata lot, after liability for duty on the agreement arises, of a building for commercial, residential or mixed use purposes.

**11. Section 3 amended**

In section 3 in the definition of *lodge* delete “Commissioner;” and insert:

Commissioner, and if the Commissioner has established procedures for the electronic lodgment and recording of data on dutiable transactions, includes to lodge in accordance with those procedures;

**14. Section 147E amended**

In section 147E delete “the application of the taxpayer,” and insert:

application being made in the approved form,

**15. Section 147F amended**

- (1) In section 147F(2) delete “the application of the taxpayer,” and insert:

application being made in the approved form,

- (2) In section 147F(4) delete “the application of the taxpayer,” and insert:

application being made in the approved form,

## Defined Terms

*[This is a list of terms defined and the provisions where they are defined.*

*The list is not part of the law.]*

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