

1992

THE LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY

STAMP DUTIES AND TAXES (AMENDMENT) BILL 1992

EXPLANATORY MEMORANDUM

Circulated by the Authority of the Chief Minister and Treasurer

Rosemary Follett, MLA

## STAMP DUTIES AND TAXES (AMENDMENT) BILL 1992

### Outline of Amendments

The Stamp Duties and Taxes Act 1987 (the Act) provides for the imposition of stamp duties and taxes on, among other things, the transfer of registration of motor vehicles and on commercial tenancy agreements in the Australian Capital Territory.

In July 1990, liability for tax was imposed on Licensed ACT Motor Vehicle Dealers (LMVD) for all sales of motor vehicles made by them.

Following the imposition of this liability, problems relating mainly to the disadvantage LMVD were experiencing with respect to sales of vehicles made by NSW motor vehicle dealers were encountered.

To enable LMVD to remain competitive with dealers in other jurisdictions it is proposed to amend the Act to exempt LMVD from the payment of tax on the sale of:

- interstate registered vehicles to non-ACT residents;
- vehicles to the ACT and Commonwealth governments; and
- vehicles registered under the Commonwealth Interstate Road Transport Act.

It is also proposed to amend the Act to clarify the ability of LMVD to pass the tax imposed on vehicles sold by a LMVD on to the purchaser of that vehicle.

Additionally, the Act will be amended to exempt from tax the initial registration after restoration of veteran, vintage and historic vehicles seeking concessionary registration.

On 17 December 1991 the Legislative Assembly passed the Stamp Duties and Taxes (Amendment) Act 1991 which amongst other things sought to impose liability on commercial tenancy agreements where the Commonwealth or Territory Governments were a lessee. The amendment did not achieve the intention of imposing liability on such tenancy agreements. Therefore the Act will be amended to ensure that tenancy agreements where the Commonwealth or Territory Governments are a lessee will be liable to stamp duty.

### Financial Implications

The amendments which remove the impediment to taxing Commonwealth and Territory tenanted buildings will ensure that the estimated additional revenue of \$400,000 in a full year is achieved. The Revenue forgone in relation to the motor dealer amendments and the vintage, veteran and historic vehicle concession is expected to be insignificant.

These amendments will come into effect from the date of notification in the Gazette.

Stamp Duties and Taxes (Amendment) Bill 1992

Short title

Clause 1 - provides for the short title for this Act to be the Stamp Duties and Taxes (Amendment) Act 1992.

Principal Act

Clause 2 - provides that the Principal Act is the Stamp Duties and Taxes Act 1987.

Instruments to be lodged for assessment

Clause 3 - ensures that not only is a lessor liable for duty on tenancy agreements but is also liable to lodge the document for assessment.

Exempt sales

Clause 4 - amends section 56B of the Principal Act to exempt from duty sales by dealers to the Territory and the Commonwealth, vehicles purchased by non-Territory residents which are registered interstate and sales of vehicles registered under the Interstate Road Transport Act 1985.

Insertion

Clause 5 - inserts section 56EA into the Principal Act to provide for the licensed vehicle dealer to recover stamp duty from the purchaser of the vehicle.

Insertion

Clause 6 - inserts section 60A into the Principal Act to provide an exemption from stamp duty for restored vehicles seeking concessionary registration on initial registration. As an anti avoidance measure and to provide that only genuine restoration projects qualify for stamp duty exemption, vehicles will have to have been not only restored but have been unregistered for the previous two years. Clause 5 also gives the Commissioner the power to reassess the duty should the owner of the vehicle change from concessional to general registration within a period of three years from when the exemption was obtained.

Clause 7 - amends section 61 of the Principal Act requiring the owner of the vehicle to provide a certificate accompanying their registration application claiming an exemption from duty.

**Schedule 1**

Clause 8 - ensures that tenancy agreements where the Commonwealth or Territory Governments are a lessee are liable to stamp duty.