

Taxation Administration (Amounts payable – Duty) Determination 2002 (No 1)

Disallowable instrument DI2002—95

made under the

Taxation Administration Act 1999, s 139 (Determination of amounts payable under tax laws)

EXPLANATORY STATEMENT

The *Taxation Administration Act 1999* (Taxation Administration Act) deals with the administration of various tax laws relating to the imposition and collection of certain taxes, duties and levies. These tax laws are specified in section 4 of the Taxation Administration Act, and include the *Duties Act 1999* (the Duties Act). Section 139 of the Taxation Administration Act empowers the Minister to determine taxes, duties and levies. The Duties Act imposes duty on a range of transactions at determined rates.

This Determination is effective on and from 1 July 2002, and has the purpose of:

- a) revoking Instrument No 245 of 2001, made under section 139 of the *Taxation Administration Act 1999* and notified in Gazette No S61 of 23 August 2001; and
- b) determining, under section 139 of the Taxation Administration Act 1999, rates of duty payable under various provisions of the Duties Act 1999 by specifying:
 - the ranges of dutiable amounts of dutiable transactions and the corresponding rates of duty payable for each range;
 - the ranges of cost or unencumbered value of a lease and the corresponding rates of duty payable for each cost or unencumbered value range; and
 - the rates of duty payable on certain other specified dutiable transactions.

The General Rate of duty in the ACT (the conveyancing rate) has not been amended since 1987.

This Determination increases ACT conveyancing duty to a level broadly comparable with NSW aggregated conveyancing and mortgage duty rates. The increase will be spread across a range of values at the higher end of the property market with a limited impact on lower value properties. The new rates fall into 6 brackets, as shown in Table 1.

Paragraph 2 of the Instrument: For the purposes of section 31 of the *Duties Act 1999*, duty chargeable in respect of a dutiable transaction shall be at the rate referred to in Column 3 of Table 1, opposite and in relation to the appropriate range of dutiable amounts of dutiable transactions as specified in Column 2 of Table 1.

TABLE 1 - GENERAL RATE OF DUTY

Column 1	Column 2	Column 3
Item	Range of dutiable amounts of dutiable transactions	Rate of duty
1	Not more than \$100,000	\$2 for every \$100, or part of \$100, of the dutiable value or \$20, whichever is the greater
2	More than \$100,000 but not more than \$200,000	\$2,000 plus \$3.50 for every \$100, or part of \$100, by which the dutiable value exceeds \$100,000
3	More than \$200,000 but not more than \$300,000	\$5,500 plus \$4.00 for every \$100, or part of \$100, by which the dutiable value exceeds \$200,000
4	More than \$300,000 but not more than \$500,000	\$9,500 plus \$5.50 for every \$100, or part of \$100, by which the dutiable value exceeds \$300,000
5	More than \$500,000 but not more than \$1,000,000	\$20,500 plus \$5.75 for every \$100, or part of \$100, by which the dutiable value exceeds \$500,000
6	More than \$1,000,000	\$49,250 plus \$6.75 for every \$100, or part of \$100, by which the dutiable value exceeds \$1,000,000

Paragraph 3 of the Instrument is unchanged: “Dutiable amount”, in relation to a dutiable transaction, means the dutiable value of the dutiable property subject to the transaction.

Paragraph 4 of the Instrument: The duty determined in respect of a long-term lease (section 141) or a long-term franchise arrangement (section 141A (2) (a)) is equivalent to that determined under section 31 of the Duties Act (the General Rate). This is because these long-term arrangements are, in practical terms, equivalent to a conveyance. This instrument amends the rates of duty in Table 2 to maintain this practice.

For the purposes of section 141 and 141A (2) (a) of the *Duties Act*, duty chargeable in respect of a lease, the cost or unencumbered value of which is included in that range of amounts referred to in Column 2 of Table 2, shall be at the rate referred to in Column 3 of Table 2 opposite and in relation to the appropriate range of amounts.

TABLE 2 - GENERAL RATE OF DUTY LONG TERM LEASES/FRANCHISES

Column 1	Column 2	Column 3
Item	Cost or unencumbered value	Rate of duty
1	Not more than \$100,000	\$2 for every \$100, or part of \$100, of the cost or unencumbered value, or \$20, whichever is the greater
2	More than \$100,000 but not more than \$200,000	\$2,000 plus \$3.50 for every \$100, or part of \$100, by which the cost or unencumbered value exceeds \$100,000
3	More than \$200,000 but not more than \$300,000	\$5,500 plus \$4.00 for every \$100, or part of \$100, by which the cost or unencumbered value exceeds \$200,000
4	More than \$300,000 but not more than \$500,000	\$9,500 plus \$5.50 for every \$100, or part of \$100, by which the cost or unencumbered value exceeds \$300,000
5	More than \$500,000 but not more than 1,000,000	\$20,500 plus \$5.75 for every \$100, or part of \$100, by which the cost or unencumbered value exceeds \$500,000
6	More than \$1,000,000	\$49,250 plus \$6.75 for every \$100, or part of \$100, by which the cost or unencumbered value exceeds \$1,000,000

Paragraph 5 of the Instrument: All other rates of duty remain the same and this Instrument re-determines those rates in paragraph 5.

Revoked rates

For ease of reference, and for comparison purposes, paragraphs 2, 3, 4 and 5 of the **revoked** Instrument No 245 of 2001, follow:

Revoked Paragraph 2. For the purposes of section 31 of the *Duties Act 1999* (Duties Act), duty chargeable in respect of a dutiable transaction shall be at the rate referred to in Column 3 of Table 1, opposite and in relation to the appropriate range of dutiable amounts of dutiable transactions as specified in Column 2 of Table 1.

**TABLE 1
RATES OF DUTY**

Column 1	Column 2	Column 3
Item	Range of dutiable amounts of dutiable transactions	Rate of duty
1	Not more than \$14,000	\$1.25 for every \$100, or part of \$100, of the dutiable value or \$20, whichever is the greater
2	More than \$14,000 but not more than \$30,000	\$175 plus \$1.50 for every \$100, or part of \$100, by which the dutiable value exceeds \$14,000
3	More than \$30,000 but not more than \$60,000	\$415 plus \$2 for every \$100, or part of \$100, by which the dutiable value exceeds \$30,000
4	More than \$60,000 but not more than \$100,000	\$1,015 plus \$2.50 for every \$100, or part of \$100, by which the dutiable value exceeds \$60,000
5	More than \$100,000 but not more than \$300,000	\$2,015 plus \$3.50 for every \$100, or part of \$100, by which the dutiable value exceeds \$100,000
6	More than \$300,000 but not more than \$1,000,000	\$9,015 plus \$4.50 for every \$100, or part of \$100, by which the dutiable value exceeds \$300,000
7	More than \$1,000,000	\$40,515 plus \$5.50 for every \$100, or part of \$100, by which the dutiable value exceeds \$1,000,000

Revoked Paragraph 3. “Dutiable amount”, in relation to a dutiable transaction, means the dutiable value of the dutiable property subject to the transaction.

Revoked Paragraph 4. For the purposes of section 141 and section 141A (2) (a) of the Duties Act, duty chargeable in respect of a lease, the cost or unencumbered value of which is included in that range of amounts referred to in Column 2 of Table 2, shall be at the rate referred to in Column 3 of Table 2 opposite and in relation to the appropriate range of amounts.

TABLE 2
RATES OF DUTY

Column 1	Column 2	Column 3
Item	Cost or unencumbered value	Rate of duty
1	Not more than \$14,000	\$1.25 for every \$100, or part of \$100, of the cost or unencumbered value, or \$20, whichever is the greater
2	More than \$14,000 but not more than \$30,000	\$175 plus \$1.50 for every \$100, or part of \$100, by which the cost or unencumbered value exceeds \$14,000
3	More than \$30,000 but not more than \$60,000	\$415 plus \$2 for every \$100, or part of \$100, by which the cost or unencumbered value exceeds \$30,000
4	More than \$60,000 but not more than \$100,000	\$1,015 plus \$2.50 for every \$100, or part of \$100, by which the cost or unencumbered value exceeds \$60,000
5	More than \$100,000 but not more than \$300,000	\$2,015 plus \$3.50 for every \$100, or part of \$100, by which the cost or unencumbered value exceeds \$100,000
6	More than \$300,000 but not more than \$1,000,000	\$9,015 plus \$4.50 for every \$100, or part of \$100, by which the cost or unencumbered value exceeds \$300,000
7	More than \$1,000,000	\$40,515 plus \$5.50 for every \$100, or part of \$100, by which the cost or unencumbered value exceeds \$1,000,000

Revoked Paragraph 5. For the purposes of the provisions of the Duties Act as specified in paragraphs (a) through (m) hereunder, the following rates of duty are chargeable:

- (a) the rate of 60 cents for every \$100, or part of \$100, of the dutiable value of the marketable securities for the purposes of section 32 (1);
- (b) the rate of 60 cents for every \$100, or part of \$100, of the dutiable value of the property the subject of the transaction, insofar as it is property to which section 33 (1) applies, for the purposes of section 33 (1);
- (c) the rate of 50 cents for every \$100, or part of \$100, of the cost or value of the lease for the purposes of section 140;
- (d) the rate of 50 cents for every \$100, or part of \$100, of the cost of the lease for the purposes of section 141A (2) (b);
- (e) the rate of 0.75% of the total amount of the hiring charges of the equipment financing arrangement for the purposes of section 159 (1);
- (f) the rate of 1.5% of the total amount of the hiring charges of the ordinary hire of goods for the purposes of section 159 (2);
- (g) the rate of 10% of the amount of the premium paid in relation to a contract of general insurance for the purposes of section 178;
- (h) the rate of—
 - (i) \$1 on the first \$2,000, or part of \$2,000, of the sum insured; and
 - (ii) 20 cents for every \$200, or part of \$200, in excess of the first \$2,000 of the sum insured;
 for the purposes of section 185 (1);
- (i) the rate of 5% of the first year's premium for the temporary or term insurance policy for the purposes of section 185 (2);
- (j) the rate of 5% of the first year's premium for the rider for the purposes of section 185 (3);
- (k) the rate of 10% of the premium paid to effect the insurance for the purposes of section 185 (4);
- (l) the rate of \$3 for every \$100, or part of \$100, of the dutiable value of the motor vehicle for the purposes of section 208 (1); and
- (m) the amount of \$1,350 plus \$5 for every \$100, or part of \$100, of the dutiable value of the motor vehicle in excess of \$45,000 for the purposes of section 208 (2).

Authorised by the Treasurer, Ted Quinlan MLA