

# Taxation Administration (Amounts Payable—Duty) Determination 2015 (No 2)

## Disallowable instrument DI2015-161

made under the

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

## EXPLANATORY STATEMENT

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1. This Disallowable Instrument commences on 1 July 2015.
2. As part of the 2015-16 Budget, the Government is continuing to reform the Territory's taxation system. Reform is continuing in relation to the rates of conveyance duty and insurance duty. This instrument implements the next stage of the Government's reforms to insurance duty, by further reducing the duty payable on insurance premiums by 20 per cent.
3. Under section 139 of the *Taxation Administration Act 1999*, the Minister has the authority to determine, in writing by disallowable instrument, amounts, rates and licence fees applicable for the *Duties Act 1999* (Duties Act).
4. This instrument determines the amounts of duty payable under various provisions of the Duties Act by specifying:
  - (a) the ranges of dutiable amounts of dutiable transactions and the corresponding rates of duty payable for each range; and
  - (b) the rates of duty payable on the relevant amount of certain other specified transactions.
5. For the purposes of section 31 of the Duties Act, column 2 of *Table 1, Amounts payable – Duties Act, section 31* (in paragraph 4 of the instrument) determines the amount of duty payable on the ranges of dutiable amounts listed in column 1 of the Table.
6. On 3 June 2015, DI2015-106 lowered the conveyance duty rates in the three thresholds preceding \$500,000 and the \$1,455,000 threshold. There have been no amendments to the threshold amounts.
7. For the purposes of various sections of the Duties Act, column 2 of *Table 2, Amounts payable – Duties Act, various sections* (in section 6 of the instrument)

determines the amounts of duty payable for the various sections of the Act as identified in column 1 of the Table.

8. From 1 July 2015, this instrument reduces the duty payable on general insurance premiums from 4 per cent to 2 per cent, and reduces duty on life insurance premiums (including term, temporary or insurance rider policies) from 2 per cent to 1 per cent. Duty on all other life insurance contracts will reduce to \$0.20 plus \$0.04 per \$200 or part thereof in excess of \$2,000, and \$0.20 for each contract where the sum insured is \$2,000 or less (reductions from \$0.40 and \$0.08 respectively).
9. References to the rate of duty for unquoted marketable securities and short-term commercial leases were removed in Disallowable Instrument DI2015-106. These transactions have not attracted duty for a number of years (since 1 July 2010 for marketable securities and 1 July 2009 for short-term leases), and therefore are no longer required in this instrument.
10. This instrument revokes DI2015-106. However, DI2015-106 continues to apply to transactions and insurance contracts between 3 June 2015 and 30 June 2015 inclusive, while DI2014-186 continues to apply to transactions and insurance contracts that occurred between 1 July 2014 and 2 June 2015 inclusive.
11. The changes in this instrument are in relation to relevant amounts of insurance duty, as defined in section 5 of the instrument. All other aspects of the instrument remain unchanged.

Authorised by the Treasurer  
Andrew Barr MLA