

AUSTRALIAN CAPITAL TERRITORY

DUTIES ACT 1999

INTERGENERATIONAL RURAL TRANSFER GUIDELINES

INSTRUMENT NO. 91 OF 1999

EXPLANATORY STATEMENT

1. The *Duties Act 1999* imposes stamp duty on a range of Territory related documents and transactions including:
 - transfers of Crown leases, subleases, shares and trust units and of businesses operating in the ACT;
 - leases of land (other than Crown leases);
 - share broker transactions;
 - insurance policies (both general and life)
 - hiring of goods; and
 - sale and transfer of motor vehicles.
2. Under section 230, duty is not chargeable on a transfer or agreement for the sale or transfer of land, a lease of land, or a transfer or assignment of a lease or permit in respect of land used for primary production, together with any property that is an integral part of the business of primary production.
3. This provision allows families in the rural sector to claim relief from stamp duty on the transfer of farming properties to younger generations. The intention of this is to encourage younger members of farming families to stay on the farm, and to allow the older generation to retire without the value of the farm affecting their entitlement to a pension. NSW has provided such an exemption since 1994.
4. Paragraphs 230 (1) (c) and (d) specify that the parties to such a transfer be persons of a class identified in guidelines determined by the Minister and that the transaction satisfies such other requirements as may be contained in those guidelines. The purpose of this determination is to identify that class of persons and set the guidelines for exemption.
5. The Guidelines are to apply retrospectively from 1 March 1999, the date of the introduction of the *Duties Act 1999*. The retrospective operation of the Guidelines, which provide an exemption for families transferring farms to younger generations, should have no detrimental effect on taxpayers.

Circulated by the authority of the Chief Minister.