

**MINUTES OF THE
SA STATE TAXES LIAISON GROUP MEETING
HELD ON WEDNESDAY 5 SEPTEMBER 2018 AT 9:30 AM
TRAINING ROOM, LEVEL 1, STATE ADMINISTRATION CENTRE,
VICTORIA SQUARE, ADELAIDE**

1 ATTENDANCE / APOLOGIES

1.1 PRESENT FOR REVENUESA

Julie Holmes (Chair), Mark Christmas, Tom Colmer, Kristy Ferguson, Matthew Fraser, Ian Grimshaw, Paul Maxwell, Ian Morris and Lisa Smith.

1.2 PRESENT FOR INDUSTRY GROUPS

Sandy Donaldson (The Law Society of South Australia), Rebecca Hayes (Australian Institute of Conveyancers (SA Division) Inc), Paul Ingram (The Tax Institute), Marc Romaldi (Property Council of Australia), Peter Slegers (Business SA), Kate Southcott (Real Estate Institute of South Australia), Paul Tanti (Chartered Accountants Australia and New Zealand), Julie Van der Velde (CPA Australia) and Bernie Walrut (Law Council of Australia).

1.3 APOLOGIES

Phil Dorman (Institute of Public Accountants), Jeff Stevens (Australian Institute of Conveyancers (SA Division) Inc), and Alan Yates (CPA Australia).

2 BUSINESS ARISING

2.1 UPDATE ON REVENUESA PUBLICATIONS AND RULINGS SUB-COMMITTEE (SEE ATTACHMENT A)

The following was discussed in relation to the RevenueSA Publications set out in Attachment A of the Agenda:

- It was agreed that having been considered by the Rulings Sub-Committee, the revised "Stamp Duty – Conveyance by Direction" publication will be circulated to the group for its final consideration. Absent any significant changes, it will be published thereafter.

ACTION: RevenueSA to email revised "Stamp Duty – Conveyance by Direction" publication to group for its final consideration.

- It was agreed that the publication "Stamp Duty – Residential land used for long term accommodation and discretionary trusts that are foreign trusts" (Item 1.1) will be split into two publications, in order to separately address:
 - duty with respect to residential land used for long term accommodation; and
 - various issues arising regarding the foreign ownership surcharge. In addition to the publication's current discussion on discretionary trusts, it can also include further discussion on what evidence will be required in relation to the status of a

person, company or trust for the purposes of the foreign ownership surcharge (in line with Item 2 of Attachment B).

ACTION: RevenueSA to forward the two publications to the Rulings Sub-Committee for its consideration.

- Bernie Walrut sought an update on the status of the foreign ownership surcharge significant development publication.

ACTION: Paul Maxwell to follow up on the status of the publication with the Treasurer's Office.

- Paul Maxwell advised that the revised draft publication "Stamp Duty – Duty arising from changes in partnership interests" (Item 1.2) is in the final stages of an internal review and will be forwarded to the Rulings Sub-Committee shortly.

ACTION: RevenueSA to forward revised draft publication to the Rulings Sub-Committee for its consideration.

- It was noted that the ATO had released its draft tax determination regarding trust splitting. In light of the issues it raises, it was agreed that the draft "Section 13(4) of the *Land Tax Act 1936*" publication (Item 1.3) should remain on hold.
- Bernie Walrut queried whether RevenueSA could prioritise the "Early Engagement and Alternative Dispute Resolution" publication (Item 2.3) for the group's consideration.

ACTION: RevenueSA to forward a draft publication to the group for its consideration.

- In the context of unit trust issues and redemptions, it was agreed that in light of duty arising solely under the landholder provisions from 1 July 2018, any discussion that may have been included in a potential publication "Stamp Duty – Unit Trust: Issues And Redemptions" (Item 2.2) will now be considered as part of the annual review of the Stamp Duty Landholder Guide.
- It was agreed that in view of certain transfers inadvertently being liable to duty, Ian Grimshaw would in the next month draft a publication "Section 71(6) of the *Stamp Duties Act 1923*" (Item 2.2) to be circulated to the group.

ACTION: Ian Grimshaw to forward a draft publication to the group for its consideration.

- Bernie Walrut queried whether archives of RevenueSA's website could be made available publicly on RevenueSA's website.

ACTION: Kristy Ferguson to investigate and advise the group on whether archives of RevenueSA's website could be made available publicly on RevenueSA's website.

2.2 UPDATE ON STATE TAX APPEALS

Paul Maxwell advised that:

- RevenueSA is awaiting the Full Court of the Supreme Court's judgment in relation to Business SA's payroll tax charitable purposes exemption appeal;
- RevenueSA is awaiting the Supreme Court's judgment in relation to the Takhar's land tax primary production appeal;
- a stamp duty appeal and a payroll tax appeal were still in the discovery phases;
- three appeals regarding residence requirements for the First Home Owner Grant had been heard by the SACAT; and
- a new landholder duty appeal has been lodged primarily regarding the exclusion of goods from duty.

2.3 THIRD PARTY REPORTING

Tom Colmer advised that:

- effective from 27 July 2018, new stamp duty documents cannot be created in RevNet. The remaining set of clients has now transitioned to processing documents in RevenueSA Online;
- from 1 August 2018, Property Interest Reports ceased being printed in hardcopy and posted to clients and RevenueSA has created a new profile of read only certificate users that allows a user to view their Property Interest Reports;
- RevenueSA is currently undergoing final testing for both remaining RevNet taxlines, being certificates and payroll tax, in RevenueSA Online. It is expected that these will be implemented in early to mid-October 2018;
- communications have commenced with presentations and webinars, however RevenueSA is currently compiling a communication plan for the implementation. Key stakeholders will be kept informed, particularly as an actual date is known;
- both certificates and payroll tax will be implemented differently to stamp duty. In this regard, RevNet will not run in parallel and there will be a full migration of client data, so previously requested current certificates can be updated and submitted, and annual reconciliations modified; and
- simultaneously implemented with these tax lines will be user invitation functionality and user modification and this functionality will be deactivated in RevNet.

Paul Maxwell advised that the legislative amendments to facilitate third party reporting were included in the 2018-19 State Budget handed down yesterday. The amendments are identical to those originally included as part of last year's budget that was later withdrawn.

2.4 UPDATE ON ACTION REGISTER (SEE ATTACHMENT B)

The following was discussed in relation to the Action Register set out in Attachment B of the Agenda:

- Item 1 – Paul Maxwell advised that the review of the terms of reference of the Rulings Sub-Committee was nearly complete and will be released by the end of September.
- Item 2 – Lisa Smith provided an overview of the evidence required in relation to the status of a person, company or trust for the purposes of the foreign ownership surcharge. It was agreed that this information could be added to the draft publication regarding discretionary trusts that are foreign trusts (Item 1.1. of Attachment A).
- Items 3 and 4 had been completed.

3 NEW BUSINESS

3.1 2018-19 STATE BUDGET UPDATE

Julie Holmes and Paul Maxwell advised that:

- the 2018-19 State Budget was handed down yesterday;
- RevenueSA will circulate the *Statutes Amendment and Repeal (Budget Measures) Bill 2018* when the public version is published on the South Australian Legislation website;
- the Bill includes amendments to the *Taxation Administration Act 1996*, the *Stamp Duties Act 1923* to facilitate third party reporting and two technical amendments to the *Payroll Tax Act 2009* in line with those included in last year's Budget Bill;
- the Bill includes amendments to expand the current stamp duty exemption for family farm transfers in line with those included in last year's Simplify Bill;
- the Bill further amends the land tax threshold and reduces the top marginal tax rate from 1 July 2020;
- a separate *Payroll Tax (Exemption for Small Business) Amendment Bill 2018* has been introduced, whereby businesses with annual taxable wages of up to \$1.5 million will be exempt from payroll tax and those with wages between \$1.5 million and \$1.7 million will benefit from a reduced payroll tax rate; and
- the Emergency Services Levy has also been reduced.

3.2 REVENUESA COUNTER UPDATE

Julie Holmes advised that the RevenueSA counter will close on 28 September 2018, with further reminder notifications to follow closer to the date.

3.3 NOTIFICATION OF EMPLOYERS APPROACHING PAYROLL TAX REGISTRATION THRESHOLD

Julie Van der Velde advised of the Queensland OSR's notifications regarding employers who are approaching the payroll tax registration threshold. Lisa Smith advised that RevenueSA is open to the idea,

subject to consideration of privacy issues and RevenueSA's broader customer service priorities.

4 ANY OTHER BUSINESS

Julie Holmes advised that further progress has been made on a potential rewrite of the *Stamp Duties Act 1923* and further updates in this regard will follow.

5 NEXT MEETING

Wednesday 5 December 2018, 4:00 pm

Training Room, Level 1, State Administration Centre.

The meeting closed at 10:47 am.

Signed as a true and correct record of proceedings.



Julie Holmes
CHAIRPERSON

9 110/2018

ATTACHMENT A – REVENUESA PUBLICATIONS

1. Draft publications for the Rulings Sub-Committee
 - 1.1. Stamp Duty – Residential land used for long term accommodation and discretionary trusts that are foreign trusts
 - 1.2. Stamp Duty – Duty arising from changes in partnership interests
 - 1.3. Section 13(4) of the *Land Tax Act 1936*
2. New potential publications for consideration
 - 2.1. Section 71(6) of the *Stamp Duties Act 1923*
 - 2.2. Stamp Duty – Unit Trust: Issues And Redemptions
 - 2.3. Early Engagement and Alternative Dispute Resolution
3. Draft publications on hold
4. Other existing publications under consideration by RevenueSA
 - 4.1. Circular 61 – Section 71E of the *Stamp Duties Act 1923*. Obligation of a person to lodge a statement with the Commissioner
 - 4.2. Circular 109 – Stamp Duties (Concessions) Amendment Act 1994 – Family Farm Transfers
 - 4.3. Circular 156 – Access to documents held by solicitors and legal professional privilege – Guidelines
 - 4.4. Circular 265 – Stamp Duty – Sale of Retirement Villages
 - 4.5. Circular 282 – Domestic Partners

ATTACHMENT B – ACTION REGISTER

	Date of Meeting	Action	Who	Status	Due Date
1.	07/03/2018	Review the terms of reference of the Rulings Sub-Committee	P Maxwell	Pending	05/10/18
2.	06/06/2018	Clarify evidence required in relation to the status of a person, company or trust for the purposes of the Foreign Ownership Surcharge	L Smith	Completed – information to be included in foreign ownership surcharge publication	05/09/18
3.	05/09/2018	“Stamp Duty – Conveyance by Direction” publication to be circulated to the group for its consideration	P Maxwell	Pending	12/09/18
4.	05/09/2018	“Stamp Duty – Residential land used for long term accommodation and discretionary trusts that are foreign trusts” publication to be split into two separate publications for consideration by the Rulings Sub-Committee, with the foreign ownership surcharge publication to include further information regarding the evidence to be kept in relation to the status of a person, company or trust	P Maxwell	Pending	05/12/18
5.	05/09/2018	Follow up status of the foreign ownership surcharge significant development publication with the Treasurer’s Office.	P Maxwell	Pending	05/12/18
6.	05/09/2018	“Stamp Duty – Duty arising from changes in partnership interests” publication to be circulated to the Rulings Sub-Committee for its consideration	P Maxwell	Pending	05/12/18
7.	05/09/2018	“Early Engagement and Alternative Dispute Resolution” publication to be circulated to the Rulings Sub-Committee for its consideration	P Maxwell	Pending	05/12/18
8.	05/09/2018	“Section 71(6) of the <i>Stamp Duties Act 1923</i> ” publication to be circulated to the Rulings Sub-Committee for its consideration	I Grimshaw	Pending	05/12/18
9.	05/09/2018	Investigate whether archives of RevenueSA’s website could be made available on RevenueSA’s website	K Ferguson	Pending	05/12/18