

Document Class:	CONCESSIONS
Document Name:	Ex-Service Persons
Document Description:	Conveyance of Land
Document Code:	EXC

Introduction

This guide note explains how stamp duty is calculated on a conveyance of land to an ex-service person pursuant to General Exemption 23 of Schedule 2 of the SD Act.

General Exemption 23 of Schedule 2 of the SD Act provides an exemption from stamp duty by way of deduction of a sum to the maximum of \$2,400 from the consideration/value on a conveyance of land, vacant or improved, on which the transferee resides or intends to reside. To be eligible for the exemption the transferee must:

- be a “prescribed person” (described below); and
- have never received the benefit of the exemption on a conveyance of land before.

General Exemption 23 of Schedule 2 of the SD Act provides a definition for a “prescribed person”.

To be eligible for this exemption the “prescribed person” must have served in at least one of the following services:

- Naval;
- Military; or
- Air Force;

OF THE

- Commonwealth;
- United Kingdom; or
- any part of Her Majesty’s dominions.

AND

must have served in one of the following war zones:

1. World War II between 3 September 1939 and 31 December 1945; or
2. Korea between 25 June 1950 and 25 November 1960; or
3. Malaya between June 1948 and November 1960 ; or
4. Malaysia between 16 September 1963 and 30 September 1967;or
5. Vietnam (southern zone only) between 31 July 1962 to 23 December 1973 (ie. Australia ceased involvement in the war on 23 December 1973).

The exemption applies regardless of whether the person is still serving at the time of claiming the exemption.

A “prescribed person” includes a widow of a deceased person who served as described above.

You will need to indicate whether the land is used as **residential** or **non-residential**. For further advice this on refer to the [Stamp Duty Guide Glossary](#).

What *documents* can I stamp under this document heading?

The document can be in the form of:

- a LTO Form T1 - Memorandum of Transfer of Land.

What types of *transactions* can I stamp under this document heading?

A conveyance of land is deemed **suitable** for self-stamping under this document heading where:

- the transferee is a “prescribed person” as defined in the SD Act under Schedule 2, General Exemption 23; and
- the prescribed person has **never** previously received the benefit of the exemption on a conveyance of land (vacant or improved).

The document can be stamped under this heading regardless as to whether:

- the document conveys a full or fractional interest in the land;
- a consideration is passing between the parties; and/or
- the parties to the transaction are related or unrelated.

What stamp duty is payable on this document?

The stamp duty is calculated using the *ad valorem* conveyance rate of stamp duty on the **greater** of the:

- **consideration** minus \$2,400; or
- **market value** minus \$2,400.

RevNet requires you to enter the **consideration** or the **market value**, WHICHEVER IS THE GREATER. RevNet will automatically deduct the exemption when calculating the stamp duty.

If there is a dispute regarding the market value of the land for stamp duty purposes, the document must be submitted for the Opinion of the Commissioner of State Taxation with full details as to why the value is being disputed.

What evidence do I need to retain for audit purposes?

For audit purposes, you will need to retain the following documentation:

- a copy of the stamped document;
- the completed Form E; Application for Opinion of Commissioner of State Taxation in relation to Prescribed Person, Exemption from Stamp Duties;
- evidence of service of the “prescribed person” (or their widow) eg. pay book, discharge papers etc;
- a copy of the contract for sale and purchase (if applicable); and
- evidence of the market value of the land as at the date of conveyance (where the parties are related or the transfer conveys a fractional interest).

Example 1 – Conveyance of land to an eligible ex-service person.

Max served in the Southern Zone of the Vietnam war for the period 1 August 1962 to 31 July 1963. He has never received the benefit of the exemption before and is now claiming the exemption on the purchase of a house at Plympton for \$250,000 in which he will reside.

All of the criteria pursuant to Schedule 2, General Exemption 23 have been met, Max is entitled to the active ex-service person’s exemption.

Assuming the consideration represents the market value, the stamp duty would be calculated as follows:

Consideration or	-	\$2,400	=	Amount on which
Market value				stamp duty is calculated

\$250,000 - \$2,400 = \$247,600

The stamp duty will be charged on \$247,600 (ie. \$8,853 stamp duty).

Note: RevNet will require you to enter \$250,000 in the “consideration/value” field.

What section of the SD Act applies?

Schedule 2, General Exemption 23.