

**Document Class:** CONCESSIONS  
**Document Name:** Ex-Service Persons  
**Document Description:** Mortgage  
**Document Code:** EXM

## Introduction

This guide note explains how stamp duty is calculated on a mortgage to an ex-service person pursuant to General Exemption 23 of Schedule 2 of the SD Act where the loan is used for home acquisition or improvement purposes **and** other purposes.

For example, a purchase of a house with a shop attached or purchase of a farm including a home in which the purchasers intend to reside. Stamp duty will be exempt on the portion of the loan attributable to the home and chargeable on the remainder of the property. Two RevNet stampings are required. Firstly, under this document heading for the portion that does **not** relate to home acquisition or improvement purposes. Secondly, for the portion that does relate to home acquisition or improvement purposes, this portion should be stamped under the document heading:

- [Mortgages – Prime Mortgage – Land](#) (MP)

If the purpose of the loan is only for home acquisition or improvement purposes, refer to the document heading:

- [Mortgages – Prime Mortgage – Land](#) (MP)

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 liability secured by a mortgage over land, vacant or improved, on which the mortgagor resides or intends to reside. To be eligible for the exemption the mortgagor must:

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

General Exemption 23 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;

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- 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 and 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.

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

The document can be in the form of:

- a LTO Form M1 - Memorandum of Mortgage.

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

A mortgage is deemed **suitable** for self-stamping under this document heading where:

- the transferee is a “prescribed person” as defined in Schedule 2, General Exemption 23 of the SD Act;
- the prescribed person has **never** previously received the benefit of the exemption on a mortgage; and
- the purpose of the loan is for home acquisition or improvement **and** other purposes.

#### **What stamp duty is payable on this document?**

The stamp duty is calculated using the mortgage rate of stamp duty as prescribed in Schedule 2 of the SD Act on the non-home portion of the loan minus \$2,400.

Two RevNet stampings are required. Firstly, under this document heading for the portion that does **not** relate to home acquisition or improvement purposes (ie. the non home portion). Secondly, for the portion that does relate to home acquisition or improvement purposes, this portion should be stamped under the document heading:

- [Mortgages – Prime Mortgage – Land](#) (MP)

RevNet requires you to enter the non home portion of the liability secured by the mortgage in the “security value” field. RevNet will automatically deduct the exemption when calculating the stamp duty.

**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 Application for Ex-Service Persons Exemption Statutory Declaration form; and
- evidence of service of the “prescribed person” (or their widow) eg. pay book, discharge papers etc.

**Example 1 – Mortgagor is eligible for the Ex Service Persons Exemption (home and shop)**

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 claiming the exemption on a mortgage of \$190,000. The monies will be used to purchase a shop and house in which he will reside.

The portion of the loan that relates to the:

- Shop is \$40,000; and
- Home is \$150,000.

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

Two RevNet stampings are required. Firstly, under this document heading for the portion that does **not** relate to home acquisition or improvement purposes (ie. the non home portion - \$40,000). Secondly, for the portion that does relate to home acquisition or improvement purposes (ie. \$150,000), this portion should be stamped under the document heading:

- [Mortgages – Prime Mortgage – Land](#) (MP)

NB: You will need to enter the amount of \$150,000 (being the portion attributable the home) in the “Total Security Home” field in RevNet when stamping under the above document heading.

***The stamp duty is calculated on the non home amount as follows:***

Non home amount    minus    \$2,400    =    Amount on which stamp duty is calculated

\$40,000    -    \$2,400    =    \$37,600

The stamp duty is charged on \$37,600.

Note: RevNet will require you to enter \$40,000 in the “security/value” field when stamping under this document heading.

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**Example 2 – Mortgagor is eligible for the Ex Service Persons Exemption (home and farm)**

Tom 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 claiming the exemption on a mortgage of \$450,000 the monies will be used to purchase a farm including a house in which he will reside.

The portion of the loan that relates to the:

- Farm is \$400,000; and
- House and Curtilage is \$50,000.

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

Two RevNet stampings are required. Firstly, under this document heading for the portion that does **not** relate to home acquisition or improvement purposes (ie. the non home portion - \$400,000). Secondly, for the portion that does relate to home acquisition or improvement purposes (ie. \$50,000), this portion should be stamped under the document heading:

- [Mortgages – Prime Mortgage – Land](#) (MP)

NB: You will need to enter the amount of \$50,000 (being the portion attributable for house and curtilage) in the "Total Security Home" field in RevNet when stamping under the above document heading.

***The stamp duty is calculated on the non home amount as follows:***

Non home amount    minus    \$2,400    =    Amount on which stamp duty is calculated

\$400,000    -    \$2,400    =    \$397,600

The stamp duty is charged on \$397,600.

Note: RevNet will require you to enter \$400,000 in the "security/value" field when stamping under this document heading.

**What section of the SD Act applies?**

Schedule 2, General Exemption 23.