

Document Class:	CONCESSIONS / REBATES
Document Name:	Inner City Rebate
Document Description:	Conveyance of Land
Document Code:	ICR

Introduction

This guide note explains how stamp duty is calculated on the transfer of land for which the following Inner City rebate scheme criteria are satisfied:

- The Contract for Sale and Purchase of the land must be entered into and dated on or after 28 May 1995;
- It must be the first sale of a new residential unit in the City of Adelaide, which is the area bordered by North, East, South and West Terraces, Adelaide;
- Both Torrens Title and Community Title are eligible;
- Lot/allotment must be 350 square metres or less and
- It must be the first sale by the unit developer and the unit must not have been rented, leased or occupied at any time prior to sale.

The rebate of \$1,500 is available for all new residential units that meet the criteria. Owners need not be natural persons or intend to live in the unit. A unit purchased as an investment is eligible.

The rebate can apply in conjunction with the First Home Owner Grant, First Home Owner Bonus and First Home Owner Boost if the criteria for these is satisfied.

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 transaction satisfies the Inner City Rebate criteria.

The document can be stamped under this document heading if the parties 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 or market value as at the date of sale. RevNet will show the assessment, a rebate amount of \$1,500 and the actual duty payable.

Note: The rebate will be paid by way of *ex gratia* payment through the RevNet functionality.

For example, if the consideration is \$400,000 the stamp duty is calculated as follows:

\$16,330 (stamp duty on \$400,000) - \$1,500 (rebate) = \$14,830 (stamp duty payable).

Note that you are required to enter in the field “No. of Rebates” in this example “1”. If the transfer is, for example, 3 eligible units, then enter in the No. of Rebates field “3” and RevNet will show a total rebate of \$4,500, ie, \$1500 x 3 rebates.

If the transaction is a *bona fide* arms length transaction between unrelated parties then pursuant to section 60A(2) of the SD Act the consideration may be treated as the market value of the land.

Where a fractional interest is conveyed, the parties are related or the transaction is not at “arms length”, you will need to obtain evidence of the market value of the land. For example:

- a valuation from a suitably qualified valuer; or
- evidence of the current Valuer General’s value for the land (eg, a copy of the relevant Property Assist print-out).

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;
- a copy of the contract for sale and purchase of the land;
- a copy of the letter of agency (if applicable);
- a copy of the stamped Assignment of Interest in the Contract (if applicable);
- evidence of the market value of the land if the parties are related; and
- the completed “Application for Rebate on a New Home Unit in the City of Adelaide” form.

Example 1

A purchaser has entered into a contract on 3 July 2008 to purchase a unit in the City of Adelaide in a new unit complex for the price of \$450,000. A Memorandum of Transfer and an “Application for Rebate on a New Home Unit in the City of Adelaide” form have been executed by the parties.

The transaction satisfies the Inner City Rebate criteria. Stamp duty is calculated on the consideration paid (ie, duty of \$18,830) and a rebate of \$1500 is applied. Stamp duty of \$17,330 is remitted through RevNet.

Note that LTO fees are calculated on the consideration recited in the Memorandum of Transfer of \$450,000.

What section of the Act and Circular No. apply?

Section 60
Circular No 197