

**Document Class:** CONVEYANCE - LAND  
**Document Name:** For Consideration  
**Document Description:** Road Closure  
**Document Code:** CL

### Introduction

This guide note explains how stamp duty is calculated on a document that effects the closure of a road or a portion of a road by a council and the transfer of that land to another party for a **consideration**.

### The following similar transactions cannot be stamped under this document heading:

If **no consideration** is passing, the document is stamped as a voluntary conveyance pursuant to section 71(3)(b) of the SD Act. The document must be stamped under the document heading:

- [Conveyance of Land – For No Consideration – Road Closure](#) (VC).

If the road closure document is **between the same parties** the document must be stamped under the document heading:

- [Exemptions – Not Chargeable – Road Closure- Same Parties, no consideration](#) (EX).

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

- The document is usually titled “Application for Document of Title under the *Roads (Opening and Closing) Act 1991*”
- RTC
- RTU

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

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

- there is a consideration passing between the parties.

The document can be self-stamped regardless of whether the parties are related or unrelated.

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

The document is chargeable with the *ad valorem* conveyance rate of stamp duty. The stamp duty is calculated on either the **consideration** or **market value** of the interest being conveyed, **WHICHEVER IS THE GREATER**.

If the transaction is *bona fide* arms length transaction between unrelated parties then pursuant to Section 60A(2) of the SD Act the consideration will 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:

- 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).

Where there is a dispute regarding the market value of the property 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 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;
- a copy of the contract for sale and purchase of the land (if applicable); and
- evidence of the market value of the interest being conveyed (where the parties are related).

### **Example 1 – Road Closure – for consideration**

The ABC Council has executed a road closure transfer to Bob for a consideration of \$200.

This is an arms length transaction between unrelated parties.

Pursuant to section 60A(2) of the SD Act the consideration is accepted as the market value of the property, and stamp duty is charged at the *ad valorem* conveyance rate on the consideration of \$200 (ie. \$2 stamp duty).

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

Section 60  
Section 60A(2)