

Document Class: CONVEYANCE - LAND
Document Name: For No Consideration
Document Description: Road Closure
Document Code: VC

Introduction

This guide note explains how stamp duty is calculated on a document effecting the closure of a road or a portion of a road by a council and the transfer of that land to another party for **no consideration**.

Pursuant to section 71(1) of the SD Act, the market value of the interest being conveyed must be declared in the document.

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

If a **consideration** is passing, the document is stamped as a conveyance on sale pursuant to section 60 of the SD Act. The document must be stamped under the document heading:

- [Conveyance of Land – For Consideration – Road Closure](#) (CL).

If the road closure document is between the **same parties** – for no consideration- refer to 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 no 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* voluntary conveyance rate of stamp duty. The stamp duty is calculated on the **market value** of the interest being conveyed.

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; and
- evidence of the market value of the interest being conveyed.

Example 1 – Road Closure – for no consideration

The XYZ Council has executed a road closure transfer to Jamie for no consideration.

The market value of the property is \$2,500.

Pursuant to section 71(1) of the SD Act, a value of \$2,500 has been declared as the market value of the property.

Stamp duty is charged at the *ad valorem* voluntary conveyance rate on the market value of \$2,500 (ie. \$25 stamp duty).

What section of the SD Act applies?

Section 71(1)
Section 71(3)(b)