

MINUTES
SA STATE TAXES LIAISON GROUP
WEDNESDAY 12 JULY 2023 (9.30AM)
FAHEY MEETING ROOMS, LEVEL 4, STATE ADMINISTRATION
CENTRE

1. ATTENDANCE/APOLOGIES

PRESENT FOR REVENUESA

Kelly Tattersall (Chair), Paul Maxwell, Todd MacDonald, and Joshua Giorgio (Minutes)

PRESENT FOR INDUSTRY GROUPS

Bernie Walrut (Law Council of Australia), Julie Van der Velde (CPA Australia), Paul Ingram (The Tax Institute), Paul Tanti (Chartered Accountants Australia and New Zealand), Marc Romaldi (Property Council of Australia), Daniel Marateo (Business SA), Jeff Stevens (Australian Institute of Conveyances (SA Division)), Andrea Heading (Real Estate Institute of South Australia) and Will Fennell (Law Society of South Australia)

APOLOGIES

Julie Holmes (RevenueSA), Mark Christmas (RevenueSA), Kristy Ferguson (RevenueSA) and Peter Slegers (Business SA)

2. BUSINESS ARISING

2.1. Update on Action Register (see Attachment A)

- Action Item 27

Paul Maxwell reported that Bernie Walrut provided his further submissions on 29 May 2023 and that RevenueSA is currently working through these further submissions.

- Action Item 29

No further update. The review of Circular No: 156 remains on hold pending the outcome of a current High Court matter.

- Action Item 30

Paul Maxwell reported that an email sent to Group members had seen six (6) expressions of interest to attend Sub-Committee meetings for this publication.

It was agreed that a meeting will be arranged for mid to late-August to progress the draft Revenue Ruling.

New Action: RevenueSA to arrange a meeting for mid to late-August to progress the draft Revenue Ruling.

- Action Item 2022-4

No further update. This Action Item is pending as RevenueSA reviews and considers prioritisation but continues to be on the RevenueSA forward work program.

- Action Item 2023-1

Paul Maxwell reported that he had only received one (1) response from Paul Ingram to his email sent on 22 June 2023, seeking comments from Group members on the priority that should be given to each stamp duty matter, including section 71A of the *Stamp Duties Act 1923*. Comments were due by COB Friday 7 July 2023.

It was agreed to extend the timeframe for comments for a further two (2) weeks. The new due date for comments is now COB Friday 21 July 2023.

- Action Item 2023-2

A general discussion took place regarding land tax, and it was agreed that RevenueSA would arrange a separate meeting to further discuss land tax matters of concern to Group members.

An email will be sent to Group members seeking expressions of interest (by the end of July 2023) to attend a meeting and any specific topics/agenda items they would like to discuss, following which RevenueSA will arrange the meeting.

It is proposed to convene a meeting in mid-August 2023.

New Action: RevenueSA to arrange a separate meeting to discuss land tax matters.

2.2. 2023-24 State Budget Update

Kelly Tattersall reported that the following taxation measures were announced as part of the State Budget handed down on 15 June 2023:

- The introduction of stamp duty relief for eligible first home buyers who enter into a contract to purchase a new home or vacant land to build a new home, on or after 15 June 2023;
- An increase in the property value cap for the first home owner grant from \$575,000 to \$650,000 for eligible first home buyers who enter into a contract on or after 15 June 2023;
- A land tax reduction for eligible build-to-rent projects where construction commences on or after 1 July 2023; and
- Changes to allow RevenueSA to issue individual Notice of Emergency Services Levy Assessments to lessees of privately leased shack sites, relieving the difficulties previously experienced by shack site group owners of apportioning, collecting, and paying the emergency services levy.

More details about these measures are available on RevenueSA's website and the State Budget Updates page.

RevenueSA will be hosting webinars in July 2023 for first home buyers and industry professionals addressing the new stamp duty relief.

2.3. Update on State Tax Appeals

Joshua Giorgio advised that the following had occurred since the last STLG meeting:

- Final written and oral submissions in the payroll tax matter involving Trinity College Gawler Inc. were provided last week and we are now awaiting judgment;
- We are still awaiting judgment in the Full Court stamp duty (landholder) matter involving Edge Developments Pty Ltd which was heard on 15 March 2023;
- The South Australian Civil and Administrative Tribunal handed down its decision in a HomeBuilder Grant (replacement contracts) matter on 6 July 2023 and the Commissioner of State Taxation's (the "Commissioner") decision under review was affirmed and is summarised on RevenueSA's website;
- Other Tribunal/Court matters continue to progress; and
- No new Tribunal/Court have been lodged.

2.4. Update on Land Tax

Kelly Tattersall reported that RevenueSA continues to work through complex ownerships whilst also preparing for this year's land tax billing.

2.5. Customer Satisfaction Survey

Kelly Tattersall provided an overview of the results received from RevenueSA's Customer Satisfaction Survey. The presentation will be circulated to STLG members.

Paul Ingram raised concerns about the useability of the RevenueSA Online system. Kelly Tattersall asked that any feedback about how the useability of the system could be enhanced be sent directly to RevenueSA for consideration.

3. New Business

3.1. Payroll Tax and Medical Centres/Medical Practitioners [RevenueSA]

Paul Maxwell reported that in late June 2023, the Treasurer approved a temporary payroll tax amnesty measure in relation to payments made to contracted general practitioners up until 30 June 2024, to incentivise and support medical practices to bring themselves forward and into compliance with their payroll tax obligations.

The amnesty and the process are the same as Queensland's except that the amnesty period is for one less year.

Full details on how the Commissioner will administer the payroll tax amnesty on payments to contracted general practitioners can be found at <https://www.revenuesa.sa.gov.au/payrolltax/contractors/amnesty-for-medical-practitioners-with-contracted-general-practitioners>.

A general discussion took place regarding the content of RevenueSA's Revenue Ruling and also the policy behind the amnesty. It was agreed that RevenueSA would consider improvements to its Revenue Ruling however any concerns about the policy behind the amnesty need to be raised with the Treasurer directly.

New Action: RevenueSA will review the Revenue Ruling and consider improvements to it.

3.2. Foreign Ownership Surcharge [Bernie Walrut]

Paul Maxwell reported that RevenueSA will maintain the *status quo* regarding the administration of the foreign ownership surcharge in South Australia until live matters before either Tribunals or Courts in other jurisdictions have been judicially determined, as these judicial decisions will help inform the application of the foreign ownership surcharge provisions in South Australia. This approach is consistent with that understood to be occurring in Victoria, Queensland, and Tasmania.

4. Any Other Business

4.1. Qualifying Land and Land Use Codes

Paul Tanti raised concerns around RevenueSA's practice where RevenueSA looks solely at the Land Use Code ("LUC") for qualifying land purposes. If it is a commercial LUC in a residential area RevenueSA requests further information from the taxpayer. Paul Tanti suggests it could be best that RevenueSA utilise the LUC in operation and then if it is used for a different purpose, to ask questions later.

4.2. Assessments

Bernie Walrut raised concerns around RevenueSA Online assessments and the question of whether they are deemed to be assessments for purposes of the *Taxation Administration Act 1996* (the "TAA").

New Action: RevenueSA to review this issue and report back to the STLG.

4.3. Emergency Services Levy

Bernie Walrut raised the question about why the administrative provisions relating for the Emergency Services Levy are not incorporated in the TAA, like other state taxes.

New Action: RevenueSA to review this issue and report back to the STLG.

5. Next Meeting

14 September 2023

ATTACHMENT A – ACTION REGISTER

Item	Date of Meeting	Action	Who	Status as at 13 July 2023	Due Date
27	04/12/2019 [Historical Action Item]	Publication: Circular 265 – Stamp Duty – Sale of Retirement Villages	RevenueSA	Bernie Walrut provided his further submissions on 29 May 2023. RevenueSA is currently working through these further submissions.	August 2023
29	04/12/2019 [Historical Action Item]	Publication under consideration by RevenueSA: Circular 156 – Access to documents held by solicitors and legal professional privilege – Guidelines.	RevenueSA	On hold. To be considered once the outcome of a current High Court matter is known and considered by the Federal Government.	On-going
30		RevenueSA to draft a new Revenue Ruling regarding Exemption 33 for consideration by the Rulings Sub-Committee.	RevenueSA	RevenueSA will arrange a meeting to progress the Revenue Ruling after the next STLG meeting. New Action: RevenueSA to arrange a meeting for mid to late-August 2023.	July 2023
2022-4	7/9/2022	RevenueSA to review and consider the appropriateness of self-determining mining tenement acquisitions and the associated necessary system changes	RevenueSA	Pending. RevenueSA to review and consider prioritisation. Continues to be on the forward work program.	July 2023
2023-1	19/4/2023	RevenueSA to review Action Items 2, 24-26, 28, 33 and 35-36 and provide a status update for each matter and circulate to the Group to allow consideration of the priority that should be given to each, including section 71A of the SDA.	RevenueSA	Pending. Email sent 22 June 2023 attaching a table, which provides a status update for each matter, for your consideration and comments on the priority that should be given to each, including section 71A of the SDA. Comments are due by COB Friday 7 July 2023. New Action: Timeframe for comments extended until COB Friday 21 July 2023.	28 July 2023
2023-2	19/4/2023	RevenueSA will arrange a separate meeting to further discuss land tax matters.	RevenueSA	RevenueSA to send an email to Group members seeking expressions of interest (by the end of July 2023) to attend a meeting and any specific topics/agenda items they would like to discuss, following which RevenueSA will arrange the meeting. It is proposed to convene a meeting in mid-August 2023. New Action: RevenueSA to arrange a separate meeting to discuss land tax matters.	August 2023

2023-4	12/7/2023	RevenueSA will review the Revenue Ruling relating to payroll tax and the amnesty for general practitioners and consider improvements to it.	RevenueSA		On-going
2023-5	12/7/2023	RevenueSA will review the issue of transactions lodged via RevenueSA Online being deemed to be non-assessments and report back to the STLG.	RevenueSA		To Be Prioritised
2023-6	12/7/2023	RevenueSA to review why the Emergency Services Levy is not administered under the TAA.	RevenueSA		To Be Prioritised

ATTACHMENT B – REVENUESA PUBLICATIONS AND UPDATES

1. Publications to reviewed now that the stamp duty rewrite is not progressing.
 - 1.1. Stamp Duty – Residential land used for long term accommodation and discretionary trusts that are foreign trusts;
 - 1.2. Section 71(6) of the SDA;
 - 1.3. Stamp Duty – Unit Trust: Issues and Redemptions;
 - 1.4. Circular 61 – Section 71E of the SDA. Obligation of a person to lodge a statement with the Commissioner;
 - 1.5. Circular 109 – *Stamp Duties (Concessions) Amendment Act 1994* – Family Farm Transfers;
 - 1.6. Circular 282 – Domestic Partners.
2. New potential publications for consideration
3. Draft publications on hold
4. Other existing publications under consideration by RevenueSA
 - 4.1. Circular 265 – Stamp Duty – Sale of Retirement Villages
 - 4.2. Circular 156 – Access to documents held by solicitors and legal professional privilege – Guidelines
 - 4.3. Review of Information Circular 1 – RSA Publication Process
 - 4.4. DRAFT Revenue Ruling – Exemption from Duty – Charitable and Religious Bodies
5. Recent Updates
 - 5.1. Deadline to submit HomeBuilder supporting documentation extended
 - 5.2. 2022-23 Payroll Tax Annual Reconciliation (x2)
 - 5.3. 2023-24 State Budget
 - 5.4. 2023-24 Land tax rates and thresholds
 - 5.5. 2023-24 Certificate Fees released
 - 5.6. RevenueSA Online outage for annual housekeeping