MINUTES OF THE
SA STATE TAXES LIAISON GROUP MEETING

HELD ON WEDNESDAY 5 JULY 2017 AT 1:30 PM
TRAINING ROOM, LEVEL 1, STATE ADMINISTRATION CENTRE, VICTORIA SQUARE, ADELAIDE

1 ATTENDANCE / APOLOGIES

1.1 PRESENT FOR REVENUESA

Graeme Jackson (Chair), Tom Colmer, Matthew Fraser, Ian Grimshaw, Lee Jurga, Paul Maxwell and Ian Morris.

1.2 PRESENT FOR INDUSTRY GROUPS

Amy Bishop (Law Council of Australia), Sandy Donaldson (The Law Society of South Australia), Michelle Hendry (Australian Institute of Conveyancers (SA Division) Inc), Paul Ingram (The Tax Institute), Marc Romaldi (Property Council of Australia), Peter Slegers (Business SA), Kate Southcott (Real Estate Institute of South Australia) and Julie Van der Velde (CPA Australia).

1.3 APOLOGIES

Mark Christmas (RevenueSA), Phil Dorman (Institute of Public Accountants), Kristy Ferguson (RevenueSA), Rebecca Hayes (Australian Institute of Conveyancers (SA Division) Inc), Jeff Stevens (Australian Institute of Conveyancers (SA Division) Inc), Paul Tanti (Chartered Accountants Australia and New Zealand), Bernie Walrut (Law Council of Australia) and Alan Yates (CPA Australia).

2 BUSINESS ARISING

2.1 REVNET

Tom Colmer advised that he would provide a RevNet update with regards to Third Party Reporting under Item 3.1 of the Agenda.

2.2 UPDATE ON REVIEW OF REVENUESA PUBLICATIONS AND RULINGS SUB-COMMITTEE (SEE ATTACHMENT A)

Paul Maxwell advised with respect to the RevenueSA Publications set out in Attachment A of the Agenda that:

- 1.1 – RevenueSA has published the "Guide to Betting Operations Tax" on RevenueSA's website;
- 1.2 and 1.3 – RevenueSA is progressing revisions to the two draft publications for the Sub-Committee's further consideration;
- 3.2 – in view of the appellant withdrawing its appeal concerning section 13(4) of the *Land Tax Act 1936*, RevenueSA will progress with revisions to the "Section 13(4) of the *Land Tax Act 1936*" publication for the Sub-Committee's consideration; and

- 3.1 – the "Stamp Duty – Duty arising from changes in partnership interests" publication has been placed on hold pending advice from the Crown Solicitor's Office on issues arising therein.

2.3 UPDATE ON STATE TAX APPEALS

Paul Maxwell advised that:

- a decision is pending with regards to the Business SA payroll tax charitable purposes appeal, with both parties being invited to make submissions regarding a recent Victorian payroll tax appeal;
- a decision is pending with respect to one minor interest land tax appeal and a further has settled;
- a primary production land tax appeal is still in the discovery phase; and
- a section 13(4) land tax appeal has been withdrawn.

Paul Maxwell advised that the South Australian Civil and Administrative Tribunal ("SACAT") is due to hear its First Home Owner Grant appeal tomorrow. Graeme Jackson added that further funding for the SACAT was announced as part of the State Budget 2017-18.

2.4 STATE BUDGET

Paul Maxwell advised that the State Budget 2017-18 was handed down on 22 June 2017 and that the Group had been advised of the taxation and grant measures.

Graeme Jackson advised with regards to the *Budget Measures Bill 2017* ("Budget Bill") that RevenueSA is proceeding on the basis that the Budget Bill will pass in its entirety.

Julie Van der Velde and Paul Ingram raised issues concerning the definition of residential property, specifically retirement homes being residential property for the purposes of the foreign purchaser stamp duty surcharge, and difficulties arising from excluding foreign purchasers from discretionary family trust deeds where the requirements differ between the jurisdictions nationally.

Paul Maxwell advised that residential property will be defined consistently with the definition already provided in the *Stamp Duties Act 1923* (the "SDA") with respect to qualifying residential land (section 71DC).

Lee Jurga advised with respect to the "identified object" provision under the definition for foreign discretionary trusts that only persons who are specifically named are identified objects and it does not extend to classes of people or relatives.

Graeme Jackson advised that RevenueSA would provide further guidance on these issues.

2.5 SIMPLIFY DAY

Lee Jurga advised that it is proposed that section 71CC of the SDA be amended as part of Simplify Day 2017 to facilitate companies being transferors and/or transferees. A draft Bill will be circulated to the Group for its consideration and comment shortly.

2.6 WAGERING TAX

Paul Maxwell advised that the betting operations tax commenced on 1 July 2017 and RevenueSA had published the Guide to Betting Operations Tax on RevenueSA's website.

2.7 DUTY CALCULATIONS UNDER PART 4 OF THE *STAMP DUTIES ACT 1923*

Lee Jurga circulated a draft publication which addresses the application of any rebates and reductions in the calculation of duty under Part 4 of the *Stamp Duties Act 1923*.

It was agreed that RevenueSA will include a few examples in the draft and recirculate it to the Group for comment shortly.

3 NEW BUSINESS

3.1 THIRD PARTY REPORTING

Tom Colmer advised that the new Portal, which facilitates new reporting requirements relating to transfers of real property in South Australia and is integrated with RevNet, was deployed into production on 1 July 2017.

Demonstrations of the Portal occurred in June 2017 and the Group was provided with documentation, including Frequently Asked Questions and data definitions for comment. Some feedback received during the demonstrations, in relation to the Portal functionality, has been incorporated into the Portal and future iterations of the Portal will incorporate more of the feedback provided.

Usage of the Portal by RevNet users is presently optional. A number of RevNet users have opted to use the Portal and RevenueSA has sought feedback from users, who have generally provided positive feedback. RevenueSA has upcoming webinars in relation to the Portal on the 6 and 10 July.

Tom Colmer will recirculate the updated definitions to the Group.

3.2 MEETINGS WITH MEMBER ORGANISATIONS

Graeme Jackson advised that having written to the Group's member organisations, he has now met with most of the member organisations, which has resulted in positive developments, training and information sessions, and hopes to continue having useful discussions and thanked the member organisations.

3.2 FUTURE STLG MEETINGS

Graeme Jackson advised that in future years the Group's June meeting will now be held after the State Budget, except possibly in an election year, where the September meeting will instead be held after the State Budget is handed down in September (if that is what occurs).

4 NEXT MEETING

Wednesday 6 September 2017, 9:30 am

Training Room, Level 1, State Administration Centre.

The meeting closed at 1:58 pm.

Signed as a true and correct record of proceedings.

Graeme Jackson
CHAIRPERSON
19/7/2017

ATTACHMENT A – REVENUESA PUBLICATIONS

1. Draft publications for the Rulings Sub-Committee

    1.1. Wagering Tax

    1.2. Stamp Duty – Transfer of units in a unit trust scheme which holds land

    1.3. Stamp Duty – Conveyance by Direction

2. Draft publications progressed to the SA State Taxes Liaison Group and released

    2.1. Stamp Duty – Stamp Duty on Business Sales post 18 June 2015

    2.2. Valuation of Land Issues

    2.3. Stamp Duty – Deeds of Rectification

    2.4. Circular 19 – Transfers to correct an error

3. New potential publications for consideration

    3.1. Section 71(6) of the *Stamp Duties Act 1923*

    3.2. Stamp Duty – Unit Trust: Issues And Redemptions

    3.3. Early Engagement and Alternative Dispute Resolution

4. Draft publications on hold

    4.1. Stamp Duty – Duty arising from changes in partnership interests

    4.2. Section 13(4) of the *Land Tax Act 1936*

5. Other existing publications requiring review

    5.1. Circular 61 – Section 71E of the *Stamp Duties Act 1923*. Obligation of a person to lodge a statement with the Commissioner

    5.2. Circular 109 – Stamp Duties (Concessions) Amendment Act 1994 – Family Farm Transfers

    5.3. Circular 156 – Access to documents held by solicitors and legal professional privilege – Guidelines

    5.4. Circular 265 – Stamp Duty – Sale of Retirement Villages

    5.5. Circular 282 – Domestic Partners